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MAKE DEMAND ON THE RUSSIANS
WHY THANK YOU



CASTRO, KING OF HAVANA
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'AREA 9' LAND RELEASED
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Mother, 3 kids die in car crash

EILAT (Itim).—A Beersheba family of five, returning home last night from a vacation in Eilat, were involved in a traffic accident that killed three daughters, their mother and a niece visiting from Canada. The father, who drove the car, was taken to the Josephat Hospital in Eilat in serious condition.

The family was travelling on the Arava highway near Kibbutz Yehel at 6 p.m. when the car overturned and caught fire. The children and their mother were killed immediately; the niece died shortly afterward.

Police are investigating the cause of the crash.

In Ashkelon, one man was killed and seven people were injured in two accidents yesterday afternoon.

At 4 p.m., a taxi travelling south on the Ashkelon-Kiryat Gat highway drove through a red light at the Givat junction and was hit by a truck. One person was killed, two were seriously injured and three were lightly injured.

Police, driving to the scene, were hit by a military vehicle when they went through a red light. Two policemen were lightly injured.

PLO and racism bills Double fiasco

By ASHER WALLFISH

The Knesset wound up its summer term this week, as well as its second year, by passing two laws which are likely to be applied only very rarely, and are likely to spark much controversy when they are put to the test.

The law which passed first, after midnight on Tuesday, after 18 months on the political and parliamentary agenda, was the measure prohibiting publication of incitement to racism. The vote was 57 for and 22 against with seven abstentions.

The "aye" votes came from the coalition and Meir Kahane (Kach), who was ostensibly the object of the measure. The "nay's" came from the

Herzog's pardons in GSS affair upheld Court ruling may delay probe

By BARBARA AMOUYAL and BENNY MORRIS
Jerusalem Post Reporters

The High Court decision yesterday to uphold President Chaim Herzog's pardons in the Shin Bet (General Security Service) affair could delay for as long as one month the police probe into the case.

Requests for a second hearing before a bench of five or seven justices are expected. (See report on court ruling below)

Several petitioners in the case have indicated their intention to appeal yesterday's ruling by a three-member panel upholding Herzog's pardons granted to GSS chief Avraham Shalom and three senior officers.

If Supreme Court president Meir Shamgar agrees to a rehearing, the legal status of the pardoned GSS officers could be reversed.

Police Inspector-General David Kraus had previously said he would begin the interrogation phase of the police investigation immediately after the High Court decision. Nevertheless he may be forced to "freeze" the investigative stage until a final and incontrovertible ruling is delivered.

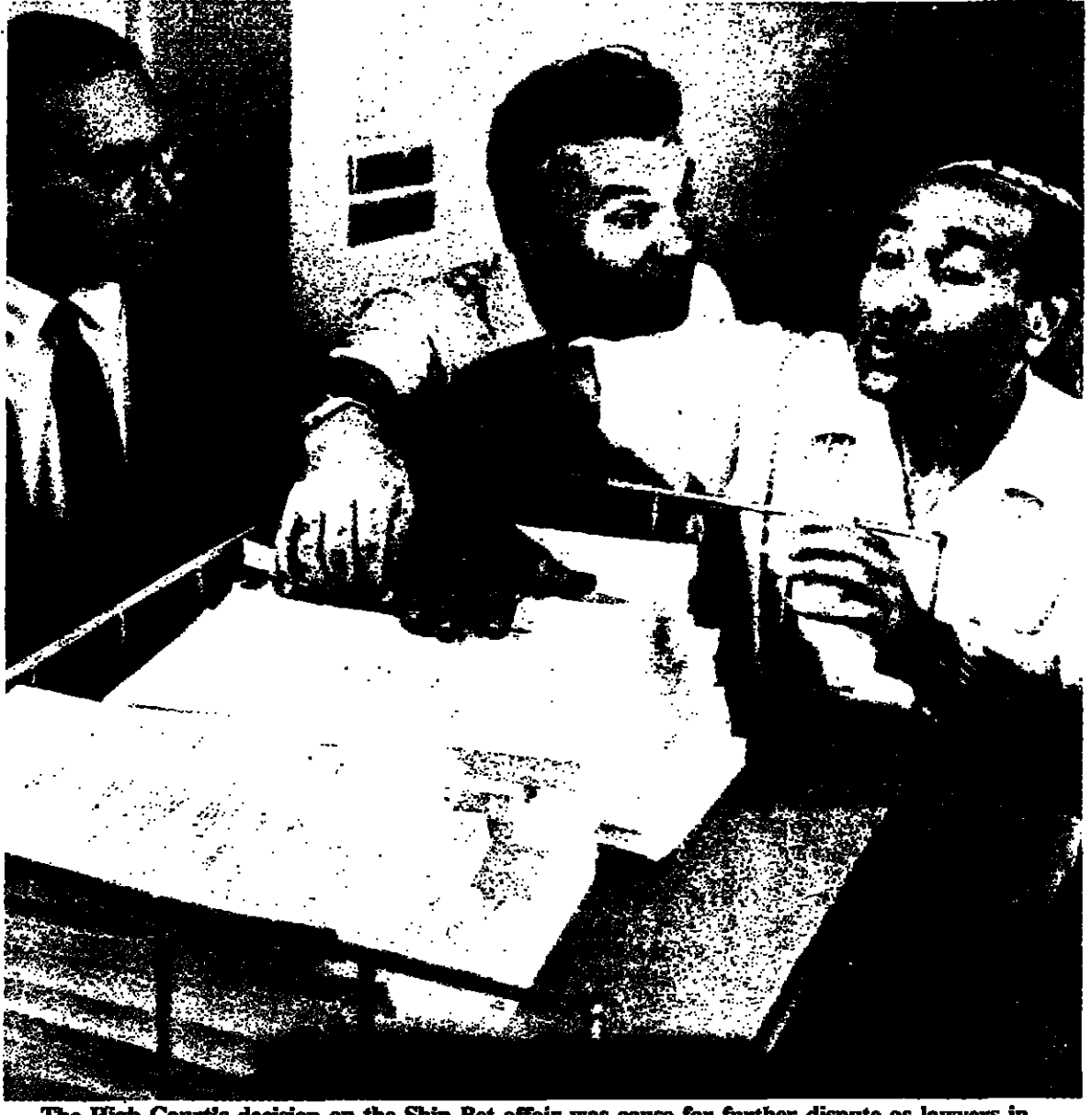
Kraus yesterday refused to respond to inquiries by *The Jerusalem Post* about a delayed police probe. A senior police source said last night, however, that it "would not be proper" if pardoned GSS officers were first invited to testify as witnesses and later said by the court to be responsible for their acts.

"How can one appear before an investigating team, spill his guts as a witness," and then be recalled to testify as a suspect?" the source asked.

GSS attorney Dov Weisglass told *The Post* yesterday that police had "no choice" but to wait until the court decides "once and for all" about the legal status of pardoned GSS officers.

Weisglass said that yesterday's High Court ruling would probably encourage other GSS members to request presidential pardons. So far, he said, no other GSS operatives had approached the president with requests for amnesty.

In the political arena, the High Court ruling turned the focus of



The High Court's decision on the Shin Bet affair was cause for further dispute as lawyers in Jerusalem struggled to catch the first glimpse of it yesterday.

mission and authority." The police will undoubtedly question Shalom about this statement and may seek to question Shamir, who was prime minister at the time of the killings, about Shalom's meaning.

It is not clear whether the rift that developed a month ago between Shalom and Shamir as a result of this statement has healed. Observers speculate that Shalom, now protected under the presidential pardon, has no compelling need to shift blame to the political echelon and may feel comfortable with obfuscating the meaning of his statement. However, he might also feel distress and anger over the manner of his departure from office, especially as both Peres and Shamir months ago assured him that he need not resign and that there would be no investigation. He might feel the urge to lash

Political repercussions, Page 2

out at his former political superior, especially if his assertion that he had acted with permission and authority is well founded.

Until the police investigation reaches "the political echelon" and news of this filters out to the public, no political activity over the affair is expected.

Labour politicians bent on frustrating the rotation between Peres and Shamir and/or seeing Shamir punished for his role in the affair will wait until the police investigation nears or reaches completion.

Citizens Rights Movement MK Yossi Sari and CRM attorney Avraham Gal said they would probably not request a rehearing and were counting on a police probe reaching the highest political levels, namely Shamir. "We represent a political party, and therefore hope that the political level will be held accountable for criminal acts in the Bus 300 incident," said Gal. He added: "From an academic point of view, however, I would not hesitate to request a retrial."

The Attorney-General told *The Post* yesterday that, contrary to critics who said he had changed his mind about a police probe in mid-stream, he had all along supported an investigation into the GSS affair. (Continued on Page 2, Col. 3)

Peres aide to Washington?

Jerusalem Post Reporter

Nimrod Novick, Prime Minister Peres's adviser on political affairs, is reportedly in line to become the number two diplomat at the Israeli Embassy in Washington.

Novick would succeed Eli Rubinstein, who was yesterday reported to be Vice Premier Shamir's choice as cabinet secretary following the rotation in October.

Peres is said to have pressed hard for Novick's assignment as minister at the embassy in Washington as a counterweight to what was seen as an overly heavy Likud representation in the U.S.

Ambassador Meir Rosenne, who like Rubinstein is a career diplomat, is expected to remain in Washington for at least another year.

Rosenne last month underwent a heart bypass operation. He is currently recovering well at his residence in Washington.

Novick, a former lecturer at Tel Aviv University, has a PhD in political science from the University of Pennsylvania and is considered one of the Labour Party's top young experts on the U.S. He accompanied Peres at his meeting with King Hassan in Morocco two weeks ago.

attention from the courts to the police investigation.

Labour Party sources, who were among the first to press for an investigation, were unhappy with the court's support of the presidential pardons but said that it was "no more than expected." They stressed that the court in effect had upheld the need for a police investigation.

Energy Minister Moshe Shahal said the ruling supported the stand of those "like himself" who had de-

manded that the cover-up of the slayings be investigated.

But the ministers were careful to refrain from commenting on the possible political implications of the ruling, which probably assures no problems for the scheduled rotation in October.

The only caveat to this, in the view of some Labour sources, is the possible handling by the police of "the political echelon" — referring to Likud leader Yitzhak Shamir and

possibly even Prime Minister Peres — in the course of the investigation.

Both Peres and Police Minister Haim Bar-Lev yesterday said the police would investigate whoever and whatever the investigation led to, including, if necessary the "political echelon."

Observers expect that the police investigation, in this respect, will focus on the meaning of the statement by Shalom in his request for a pardon that he had acted "with per-

Talks with Soviets set

Jerusalem Post Staff

Israeli Ambassador to Finland Mordchai Lador confirmed yesterday that Israeli and Soviet officials are to meet in Helsinki on August 18-19 for talks on resuming consular relations.

Political issues are not to be discussed, Lador told reporters in Helsinki.

"The talks will deal exclusively with consular matters such as visas, passport extensions for Soviet citizens in Israel, and a survey of Soviet property in Israel," he said.

Prime Minister Peres said yesterday that if diplomatic relations were

High Court split 2 to 1

By BARBARA AMOUYAL

The High Court of Justice yesterday upheld President Herzog's pardons to four top Shin Bet officials, and took note of the attorney-general's instructions to the police to investigate the Shin Bet affair.

The court split 2-1, with Justices Meir Shamgar and Miriam Ben-Porat upholding the pardons and Justice Aharon Barak denying the president's right to pardon in advance of trial.

In the 161-page decision Shamgar and Ben-Porat wrote: "In the name of legitimate security, diplomatic or public interest" those who have not yet been investigated by police or convicted in a court of law can't be pardoned." In a vigorous dissenting decision, Barak insisted that only those convicted and sentenced may be classified as "offenders" eligible under Section 11(b) of the Basic Law: The President to receive clemency.

The three Justices agreed in principle that a man is considered innocent until proven guilty, and so cannot "semantically" be classified as an offender before conviction.

But Shamgar and Ben-Porat insisted that, for purposes of the Basic Law, anyone who allegedly committed a crime "and not only those who have been convicted in court" may be considered offenders and therefore eligible for pardon.

Shamgar and Ben-Porat cited legal opinions by MKs and attorney-generals as well as High Court decisions, to argue that the president was authorized to pardon before conviction. According to the two justices, the president has "widely encompassing pardoning powers" similar to those of the British crown or the American president.

But Barak contended that the Basic Law: The President was unique to Israel and thus could not be compared with Anglo-American laws.

In a harsh rebuttal of Shamgar's decision, Barak wrote: "As judges, it is our duty to define the law, and not count on interpretations given by MKs or lawmakers from other countries."

Barak also said that the pardons granted to the Shin Bet men were "collective" and not "individual." The president, Barak said, may only

issue pardons on an individual basis after thoroughly examining the specific case.

Shamgar wrote that the granting of pardons must not be seen as an integral part of the judicial system of appeals. "Only in cases where damage is expected or where no other reasonable solution exists should the president be authorized to use his pardon powers," Shamgar stated.

Barak wrote that excessive use of the power to pardon, or granting clemency during a police probe or legal proceedings, could be interpreted as "blatant intervention in the work of the responsible authorities." He warned that infringement of the powers of various authorities would ultimately signal "a danger to the democratic character of our state."

Regarding a police probe into the Shin Bet affair, Shamgar quoted Attorney-General Yosef Harish's promise to the court that the affair would be investigated thoroughly "with no level immune."

President Herzog refused yesterday to comment on the High Court decision.

(Continued on Page 2, Col. 3)

New GSS head may fire two legal aides

By BENNY MORRIS
Post Diplomatic Correspondent

The new head of the General Security Service, who is soon to replace Avraham Shalom, will have to consider the future of the organization's two legal advisers in the service.

The advisers, who helped fabricate testimony and evidence before the Zorea Commission and the Blattman inquiry in 1984-85, were among the four officials pardoned by President Herzog. But unlike Shalom, they did not resign in exchange for their pardons.

An ironic twist to the affair is likely in the coming days, when about 10 GSS operatives and ex-operatives are expected to apply to the president for pardons.

Among them is likely to be former GSS ex-deputy head Reuven Hazak, who sparked the affair when he complained to Prime Minister Peres in October 1985 and to former

attorney-general Yitzhak Zamir in February 1986 against Shalom, the killings and the cover-up. Hazak, and possibly his "dissident" colleague, Peleg Raddai, who has also left the service, also had a role in the cover-up and both could be prosecuted if they are not granted pardons.

Hazak several weeks ago formally resigned from the service and had an interview with Peres. Peres, it is understood, was extremely contrite and pleasant.

When Hazak came to see Peres last October to complain about Shalom, the prime minister flatly rejected Hazak's arguments and demands and allowed Shalom to virtually dismiss him from the service. Hazak at that meeting had demanded that Peres dismiss all the GSS brass, including Shalom and himself, and "clean out the stable." Peres said that he trusted Shalom and left him in position, thus contributing to the effort to keep the affair under wraps.

China ties 'no closer'

By Post Diplomatic Correspondent

Sources in both the Prime Minister's Office and the Foreign Ministry yesterday denied that there had been any movement recently towards the establishment of diplomatic ties between Israel and China.

Referring to press reports yesterday that Prime Minister Peres had said that such ties might be established "sooner than expected," the sources in the Prime Minister's Office denied that he had said any such thing.

The Foreign Ministry sources said that, if anything, the tone of Chinese newspaper treatment of Israel had taken a turn for the worse. Recently, Chinese newspapers had published "extremely aggressive" anti-Israeli articles, they said, indicating that there were no signs that a thaw was in the offing.

A landmark judgment

ANALYSIS / Asher Felix Landau

The decision by the High Court of Justice in the Shin Bet affair was a milestone in Israeli constitutional law.

The question at issue was the meaning of the term "offenders" in Section 11(b) of the Basic Law: The President. Acting under this section, the president pardoned persons involved in the 1984 "Bus No. 300" incident although no legal proceedings had been instituted against them.

Court President Meir Shamgar referred to the two previous decisions in which this subject had been discussed, and to the opinions of many Israeli scholars on this subject.

He also examined the powers of pardon exercised by the British Crown and the U.S. president and the extent to which comparisons could be drawn with the position in those countries.

Shamgar also examined the argument that other Israeli legislation, principally the power of the

attorney-general to stay criminal proceedings, implied that the president's powers were limited to persons already convicted.

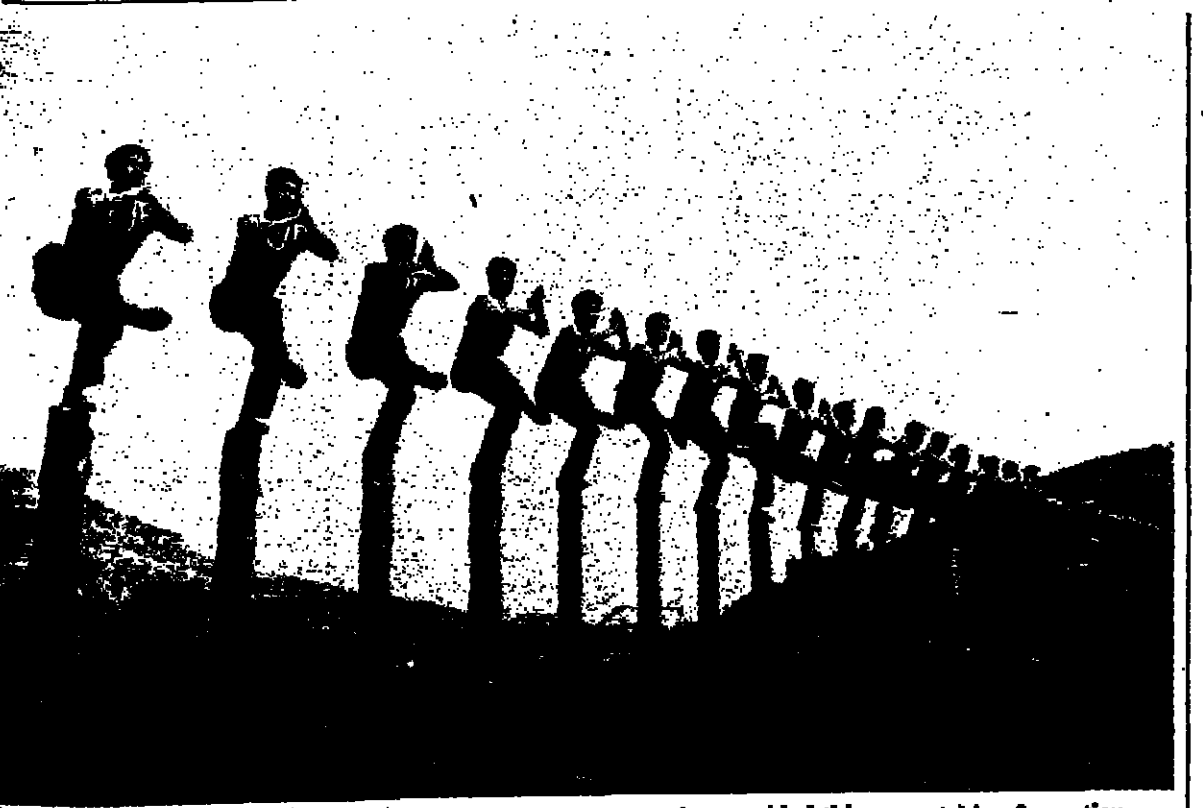
He rejected this argument, and also pointed out that, in spite of the opinions expressed in the above cases that the president's powers were not restricted to persons convicted, the Knesset had not seen fit to amend the law to restrict his powers.

Shamgar also stressed that both in England and in the U.S., the power of pardon was exercised before conviction — as in the case of President Nixon — although the exercise of that power in those circumstances was rare.

Shamgar then examined the grounds on which the president had exercised his power, and found no fault with them.


In regard to the conducting of a police investigation into the cir-

(Continued on Page 2, Col. 6)



KARATE KIDS.—A routine martial arts training exercise provided this eye-catching formation by troops of China's People's Liberation Army. The photograph won first prize in a competition for tomorrow's Chinese Army Day.

Selling your house?



Hurry!

There are only a few hours left to place your classified ad for tomorrow's Luah Ma'ariv. Just take your ad to any advertising agency, or to an office of Ma'ariv (or call 03-439439) and it will run in Hebrew in that paper. Hand it in early enough to make sure it reaches the office of Luah Ma'ariv before 5 p.m. today and your ad will also appear in English in *The Jerusalem Post*.

Beat that deadline!

The weather at major Swissair destinations

	6.5.86	MIN.	MAX.	
AMSTERDAM	10	14	24	Clear
BRUSSELS	10	14	24	Clear
BUENOS AIRES	10	14	24	Clear
CHICAGO	10	14	24	Clear
COPENHAGEN	10	14	24	Clear
FRANKFURT	10	14	24	Clear
GENEVA	10	14	24	Clear
HELSINKI	10	14	24	Clear
HONGKONG	10	14	24	Clear
JOHANNESBURG	10	14	24	Clear
LONDON	10	14	24	Clear
MADRID	10	14	24	Clear
MONTREAL	10	14	24	Clear
NEW YORK	10	14	24	Clear
OSLO	10	14	24	Clear
PARIS	10	14	24	Clear
SAO PAULO	10	14	24	Clear
STOCKHOLM	10	14	24	Clear
TOKYO	10	14	24	Clear
TORONTO	10	14	24	Clear
ZURICH	10	14	24	Clear

*For the latest weather conditions contact Swissair.

Swissair

THE WEATHER

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	49	19-26	27
Golan	41	19-28	29
Nabatieh	42	18-28	28
Safed	42	18-28	28
Haifa Port	42	18-28	28
Tiberias	42	18-28	28
Nazareth	42	18-28	28
Afula	42	18-28	28
Shomron	42	18-28	28
Tel Aviv	69	23-30	30
B-G Airport	69	23-30	30
Jericho	37	24-37	37
Gaza	68	23-29	29
BeerSheva	41	24-38	39
Eilat	22	24-38	39

SOCIAL & PERSONAL

The parliamentary press corps held a reception yesterday for Post Knesset Reporter Aryeh Rubinstein, who is moving from parliamentary coverage to take up other editorial duties. The reception was attended by Knesset Speaker Shlomo Hillel and Knesset Members from various factions.

Yosef "Tommy" Lapid, secretary-general of the Liberal Centre Party, will discuss whether the press can influence politics at today's meeting of the Rotary Club at the Tel Aviv Hilton.

ARRIVALS

Emunah, Australia, federal president, Mrs. Elaine Bloch.

Auctioneer plans police complaint against Shift

By YORAM GAZIT
For The Jerusalem Post
TEL AVIV. - British auctioneer Jeffrey Port said yesterday that he intended to lodge a police complaint against hotelier Haim Shift. He claims that Shift signed a contract for Port's newly established Israel Auction Mart to sell his properties in auction under false pretences.

None of the Shift lots were sold when the auction was held 10 days ago.

Meanwhile, Port has been barred by court order from leaving the country. The order was granted in response to a complaint by the Peled Advertisement Agency. The agency took legal action against Port for his failure to pay some \$27,000 for advertising services by July 1, 1986, as agreed in a contract.

Port told The Post that his lawyers in London had settled with the advertising agency's attorneys, but Ori Peled, of the agency's management, denied this.

Port said that he intended to pay all his debts in Israel and that he would hold two more auctions of the Shift properties in October and December.

Nurses leader: worse than before strike

By MENACHEM SHALEV
For The Jerusalem Post
Hospital nurses' leader Bela Sofrin blasted the government yesterday for not offering the nurses "anything real" in the talks on the nursing crisis.

Sofrin was speaking after a two-hour meeting between a delegation of nurses and Health Minister Mordechai Gur. She repeated previous claims by nurses that the situation in the hospitals is now even worse than before the strike, and the government is not doing anything about it.

Sofrin's assessment contradicted optimistic statements made last week by other nurses' leaders who expressed satisfaction at the nego-

HOME AND FOREIGN NEWS

'Happiest day of my life' - Arab local council head

Villagers get Area 9 back

By ELAINE RUTH FLETCHER
Area 9, a military training area in Galilee which was established in the days of the Mandate, is to be returned to its Arab owners - while publicly-owned portions of the land will be put to civilian use.

A four-man government ministerial committee, including Prime Minister Peres and Defence Minister Rabin, announced the move yesterday after studying the controversial issue for over a year.

"After 42 years, this is clearly a historical event," said Dr. Yosef Ginat, senior adviser to Minister without Portfolio Ezer Weizman, who was also a member of the committee. Ginat noted that the British first designated the area as a military firing zone in 1944.

Mohammed Ghannin, head of the Sakhnin local council, whose villagers own much of the area at the centre of the controversy, responded ecstatically to the government decision.

"This is the happiest day of my life," Ghannin said. "This is even better than hearing that I won in the elections. Now I have no problem in seeing this region develop with the two peoples, Jews and Arabs, together."

"The fruit of this will be for the good of the Israeli state," he added. "It's better than excellent."

Over the last four decades, the area, which is also near Deir Hanna and Araba, has been the site of repeated confrontations between IDF training units and Arab farmers. The farmers kept planting olive trees and other crops on their closed-off land, only to have them uprooted.

Ginat said that Weizman's office - which oversees Arab affairs - first requested a re-evaluation of Area 9 last year.

The ministerial committee, which also includes Agriculture Minister Aryeh Nebamkin, decided to return the land to civilian control following consultations with security authorities, he said.

"The military is a dynamic system," Ginat said. "Our office asked the military to reassess the situation. They did so, and decided they could go to other areas."

But Ginat cautioned that the military withdrawal from Area 9, which should take place within the next week, may create more pressure on other military training areas where land disputes with Arab farmers also exist.

Military sources, meanwhile, told The Jerusalem Post that opening the area was a government decision, and that while it would present some problems, the decision would be implemented.

The portion of Area 9 still off-limits to Arab farmers is quite small compared to the 62,000 dunams originally seized by the British for military training, Ginat said.

That closed-off area comprises 6,850 dunams, of which 1,500 are owned by residents of Sakhnin, said Ghannin.

The remaining 55,000 dunams are already being cultivated by Arabs or are held by the state, and no practical change would occur in their status, Ginat said.

Still, closure of a portion of the land has been a source of constant frustration to Arab farmers who often saw their property lying idle, said Shmuel Toledano, former Arab affairs adviser to the government.

Toledano praised the recent decision, saying that it came after "38 years of troubles when many families saw their land near them and were not able to get it cultivated, even when the army was not using the area."

Hillel: Electoral reform bill did pass its preliminary reading

Speaker Shlomo Hillel announced yesterday, at the last session of the Knesset's summer term, that the bill to change the electoral system passed its preliminary reading although it received less than 61 votes.

On Wednesday of last week, the bill, presented by Mordechai Virshupski (Shinui) on behalf of some 40 MKs from different parties, got a vote of 50-39.

It had generally been believed that under the Knesset Basic Law such a change required a full Knesset majority. But Hillel announced that he wished to consult with legal authorities as to whether that special majority was required for the preliminary reading of a private member's bill.

Yesterday, Hillel said the detailed opinions he had received from the Knesset legal adviser and the attorney-general had confirmed his own view that the special majority was required only for the full readings of a bill.

Attorney-General Harish held that there was no need for an absolute majority at the vote on the preliminary reading.

The attorney-general's advice had been sought after the Knesset voted on a bill to change the electoral system. At the vote on the prelimi-



ary reading, some MKs claimed that, since a change in the electoral system was part of the Basic Law, The Knesset, even the preliminary reading required an absolute majority.

Limit appointment of A-G
The Knesset referred to the Law Committee a private member's bill by Michael Eitan (Likud-Herut) to limit the term of the attorney-general to five years.

The appointment at present is for an indefinite period. Eitan maintains that it would be preferable not to leave the decision about its termination either to the attorney-general or to the government, for it could then be interpreted as an expression of no-confidence in the incumbent.

Cheap petrol - more accidents
Transport Minister Haim Corfu said yesterday that the number of road accidents in the first half of the

year was 14 per cent higher than in the same period in 1985. He was replying to a parliamentary question by Uriel Lynn (Likud).

The Road Safety Authority attributes the increase, in part, to the drop in the price of petrol (which resulted in a 4 per cent rise in petrol consumption in this period), and to higher bus fares.

No more Habonim tragedies
Replying to a question by Nava Arad (Alignment), Corfu announced that a new regulation prohibited buses or other vehicles carrying more than 10 passengers to cross a railway track when the approach to the track was from an unapproved road.

Corfu added that the installation of a traffic light at the Habonim crossing was included in the Israel Railways five-year plan.

Powers of the president
Justice Minister Avraham Sharir said yesterday that it was time to consider granting more than ceremonial powers to the president of the state.

He said that "favourable consideration" should be given to increasing the involvement of the president "in aspects of governance such as have been suggested by Professor Weiss and others."

PROBE MAY BE DELAYED

(Continued from Page One)

"My views remain consistent," said Harish, adding: "As I said in court, the matter will be investigated and will encompass all parties mentioned in police complaints and previous material gathered from commissions of inquiry."

Professor Emeritus Yitzhak Klinghoffer, whose opinions on

presidential pardons were quoted extensively in both Barak's and Shamgar's decisions, told The Post that opinions quoted from the two dissenting justices were taken from different legal contexts.

"If I had to decide today, I'd be inclined to limit presidential pardoning powers to those already convicted in a court of law," he said.

HIGH COURT

(Continued from Page One)

Justice Minister Avraham Sharir said after the decision that he was pleased that the court chose to support the steps taken by the president, the cabinet and the attorney-general.

Attorney Amnon Zichroni, one of the petitioners to the court, said he was disappointed at the rejection of the petitions. But he expressed satisfaction that his complaint to the police against Vice Premier Yitzhak Shamir would be investigated thoroughly.

Longest surviving heart transplant man dies

LOUISVILLE, Kentucky (AFP). - The world's longest surviving artificial heart transplant patient, William Schroeder, died here yesterday, 20 months after his operation, a spokesman at the city's Humana Audubon hospital announced.

Schroeder, a 54-year-old American, on November 25, 1984 became the second man to receive a Jarvik-7 plastic heart, two years after Barney Clark, who survived for 112 days after his operation.

Baby for girlfriend of El Al bomb plotter

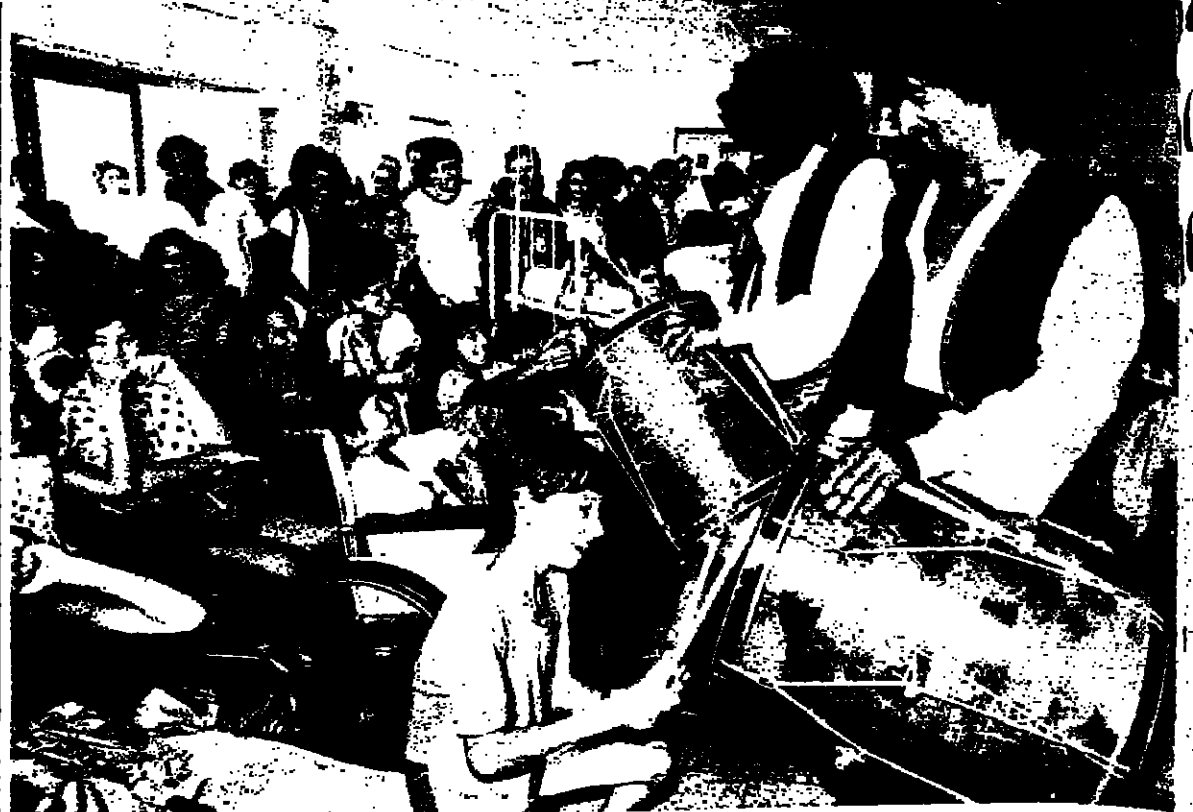
By JERRY LEWIS
Jerusalem Post Correspondent

LONDON. - Nezar Hindawi, the Palestinian currently awaiting trial for attempting to place a bomb on a Tel Aviv bound El Al 747 in April, became a father Tuesday.

His girlfriend, 32-year-old Anne Marie Murphy, gave birth to an 8-pound daughter "somewhere in Ireland." Mother and child were said to be well.

Hindawi duped Murphy in an attempt to set a bomb on the El Al aircraft. Although she managed to get through Heathrow Airport's regular security checks without being discovered, an alert El Al worker became suspicious after questioning her and raised the alarm.

Murphy told police that she was travelling to Tel Aviv to marry Hindawi, who had promised to follow her there within a few days.



The "Holiday On Ice" troupe entertains young patients at the Sheba Hospital near Tel Aviv. The Argentine entertainment troupe is currently touring Israel.

Oil price hike won't hurt, yet

Post Economic Reporter

The recent surge in oil prices should have no immediate negative repercussions on Israel's economic programme, government sources said yesterday. They added it was too early to know if the price rises would remain in effect, and if the Organization of Petroleum Exporting Countries would be able to stick to their latest agreement to slash their output by some four million barrels a day.

According to the sources Israel recently bought large quantities of fuel at low prices, deliberately increasing its supply. They said this would give Israel some protection against any further increase in oil prices.

The sources insisted that a price of \$14 a barrel was still within the range envisaged in the latest forecasts of the balance of payments for this year. Forecasts based on a price of \$15 a barrel put the surplus in the current account at some \$1 billion for 1986, very close to the one achieved last year.

In recent months the Energy Ministry has not reduced the price of petrol despite the large reductions in fuel prices. However, the ministry did lower the price of heavy residual fuel for industry by about 12 per cent late in July. It could, therefore, raise it again if the price of oil continues to rise.

18-month time limit for Taba arbitration

CAIRO (AP). - Egyptian and Israeli negotiators reported fresh progress in resumed talks yesterday on the Taba dispute but differed on whether they could reach complete agreement during this round. The talks are due to continue today.

A well-placed diplomatic source said that Egypt and Israel had agreed on an 18-month time-limit for international arbitration of the dispute.

The source, who refused to be identified further, also said that the two sides had agreed on the deployment of the Multinational Force and Observers (MFO) in the Taba area for the duration of arbitration "to maintain the status quo" there.

The negotiators held a one-hour

meeting yesterday morning that was attended by American middlemen.

Egypt's chief delegate Nabil El-Araby, told reporters afterwards, "We have made a lot of progress, but I cannot say if this will be the last round."

"We made a lot of progress, and there remains one outstanding issue," said Avraham Tamir, co-leader of the Israeli team and director-general of the Prime Ministers Office. He would not say what the issue was.

Egypt's refusal to register an Israeli reservation concerning a map attached to the Taba compromise is the focus of the dispute at present, Israel TV reported last night.

IDF men reportedly refused mission

By AVI HOFFMANN
Post Defence Reporter

The IDF has not yet completed its investigation into the reported refusal of some conscripts to carry out an operational mission some two months ago.

According to a source familiar with the affair, the men abandoned the position, claiming that conditions were not suitable. One of their main complaints was that the food was not of the standard to which they were accustomed.

According to the source, no action

was taken by the unit's superior officers, possibly because they agreed that the conditions were not as they should have been.

After about a month, written complaints about the soldiers' behaviour were submitted to the IDF authorities, but these were ignored.

Defence Minister Yitzhak Rabin learned of the affair this week when it was first raised in the press, and he instructed the IDF to check the matter. MK Ran Cohen (Citizens Rights Movement) also addressed a question on the topic to the defence minister.

Army exercise ends in Golan Heights

A large military exercise held in the Golan Heights, which included infantry, armoured, artillery and engineering units as well as the Israel Air Force, concluded Tuesday morning.

A significant part of the exercise was devoted to simulated gas warfare. Training for possible future gas and chemical warfare has been a marked priority in some of the recent large-scale maneuvers carried out by the IDF. The exercise included simulated medical treatment of a "contaminated" unit.

Gush Emunim barred from Jericho prayers

By JOEL GREENBERG
Jerusalem Post Reporter

A few dozen Gush Emunim members who wanted to pray at the ancient synagogue in Jericho were prevented from reaching the site yesterday by IDF troops.

Military sources said an IDF roadblock at Kfar Adumim kept most of the group away, though some managed to slip past on foot. The area was declared a closed military zone.

Restricting order for West Bank labour head

By JOEL GREENBERG

The head of the General Federation of Labour Unions in the West Bank has been issued an order restricting him to Nablus, military sources confirmed yesterday.

Shehadeh Minawi was restricted to his home town for six months on July 30, and he must report daily to the local police, the sources said.

They said Minawi was a senior Fatah activist in the Nablus area.

LANDMARK JUDGMENT

(Continued from Page One)

Cumstances of the incident referred to, Shamgar accepted the intimation of the attorney-general that such an investigation would take place.

Justice Miriam Ben-Porat also examined the two previous decisions of the Supreme Court and the opinions of legal writers.

In dealing with Section II(b) itself, Ben-Porat stressed that the grant of a pardon was not necessarily justified only by the need to protect the offender; there was also the need to protect public welfare.

She agreed with Shamgar that the power granted to the president was sufficiently wide to cover cases of offenders who had not yet been convicted, and that the president had exercised his power lawfully, after full consideration of all the circumstances.

Swiss envoy to intercede over tennis rescheduling

By JACK LEON
Post Sports Reporter

TEL AVIV. - Switzerland's Ambassador Pierre-Yves Simoulas has agreed to intercede with the Swiss Tennis Association in support of Israel's request to reschedule the European Zone "B" David Cup final between the two countries. At present, it is scheduled to be played during the October 2-5 Rosh Hashana weekend.

Israel Tennis Association chairman David Harnik told The Jerusalem Post yesterday that the ambassador was sending a telex to Swiss association president Bruno Fritschel, stressing the importance of Rosh Hashana for Jews and urging a change of date.

The Swiss have turned down several proposed new dates, which were relayed to them through the London-based International Tennis Federation's Davis Cup Committee. That body has now handed the matter over to its European Zone sub-committee for further discussion.

Harnik is hoping that the ITF will finally agree to ask Switzerland to reschedule the match, as it did two years ago in the case of the Israel-Soviet Union Davis Cup Zone final in Donetsk. That match was due to start on the second day of Rosh Hashana, but was delayed a day by the Russians after the ITF intervention.

Harnik yesterday also discussed the impasse with the Foreign Ministry, asking them to use their influence to persuade the Swiss to reschedule the contest.

(see personal opinion p7)

Veteran Soviet aliya activist Kushnir arrives

By SARAH HONIG
Post Political Correspondent

TEL AVIV. - Alexander Kushnir, one of the most veteran and best-known aliya activists, arrived in Israel last night after a 10-year struggle to leave the Soviet Union. His mother, who arrived in Israel 13 years ago, was at the airport to meet him.

Kushnir, 38, a construction engineer from Odessa, was not allowed to work in his profession after he first applied to leave for Israel in July, 1976.

Kushnir, a bachelor, was particularly active in holding seminars in Hebrew, Jewish studies and Jewish history.

His father was killed in a traffic accident in 1970, and his mother left for Israel three years later.

Court decision reduces likelihood of political fireworks

By ROY ISACOWITZ
and SARAH HONIG

TEL AVIV. - Yesterday's High Court decision appears to have put paid to the prospects of the Shin Bet affair again degenerating into a political dispute between the Labour Party and the Likud. Labour MKs were unanimous yesterday that the police must be allowed to continue their investigation, but few expected it to implicate political personalities.

One reason for the reduced tensions over the affair is the growing belief in Labour that Foreign Minister Yitzhak Shamir may not have been involved in the events surrounding the hijacked bus as originally suspected.

"He'll probably come out looking indifferent to what was happening,

but not much more than that," one Labour source said. "And the Kahan Commission already showed him to be indifferent [about the Sabra and Shatila massacres] without it having much effect."

All the Labour ministers and MKs questioned yesterday said that the court's decision must be honoured and the police allowed to continue their work. Police Minister Haim Bar-Lev said that the decision had returned the situation to where it was some three weeks ago, with the pardons intact and the police in charge of the investigation.

Economics Minister Gad Ya'acobi said that any further requests for pardon must be sympathetically treated, as "we cannot tolerate discrimination between ranks in the security services."

Energy Minister Moshe Shahal, who was instrumental in ensuring that the affair was investigated, continued to demand that the police investigation deal with the question of possible political responsibility.

"There were, and still are, ministers who objected to any investigation," Shahal said. "But the High Court's decision affirmed the need for such an investigation."

Shahal added that the opinion of High Court president Meir Shamgar, that the state president could take security and political factors into account when granting pardons, had "left the way open" for a request that the court's decision be reconsidered before a bench of five judges. Mapam leader MK Elazar Granot

said that the court's ruling that the police investigation continue was "indirect criticism" of the government, which, he noted, had originally opposed an investigation.

Mapam, Granot said, would seek to change the law on pardons, encouraged by the minority opinion of Justice Aharon Barak.

Citizens Rights Movement MK Yossi Sarid, who had lodged a personal complaint with the police on the issue and was one of the petitioners to the High Court, said yesterday that he "had expected something of the sort."

But he added that "it was only fear of the High Court's ruling" that had forced the government to order an investigation of the affair.

The right's reaction was best expressed by Tehiya MK Geula Cohen. She said: "The common sense of the man in the street won out over the self-hating legalistic arguments of those who appealed to the court in the first place. Their motives were never a high-minded pursuit of justice, but a political vendetta."

The man who is credited with having come up with the idea of pardoning the Shin Bet officials, Herut's Yoram Aridor, was also gratified last night. He said his formula both "answers the demands of national security and makes sure that no damage will be done to the rule of law. Now we have seen it withstand the test of High Court approval, which shows the approach was correct all along."

To: Mrs. Elsa Eisen and Family

Deepest sympathy on the death of your dear husband, our friend

Dr. ABRAHAM EISEN

Erika and Alexander Schneider

Backlash hits South Africa's neighbours

JOHANNESBURG (AP). — South Africa has begun time-consuming inspections of truck cargo arriving at its northern border, officials said yesterday, in another step against its pro-sanctions neighbours.

Freight agents in South Africa and Zimbabwe said the checks were causing long delays at the Beit bridge border crossing as inspectors unpacked trucks coming from Zimbabwe, Zaire and Zambia.

All three countries make heavy use of South African ports for their exports. Similar checks of cargo destined to be exported through South African ports were reported at South Africa's border with Botswana.

"The screws are undoubtedly being tightened," said Alan Cowell, executive director of the South African Association of Freight Forwarders.

Foreign Minister R.F. Botha, at a news conference Tuesday, dared black-ruled Zimbabwe and Zambia to impose sanctions against South Africa. Both have been vocal in urging the West to impose punitive economic sanctions against Pretoria until apartheid is scrapped. Both depend heavily on South Africa for trade and transportation links.

Botha said South Africa, in response to sanctions, was prepared to impose levies on all imports passing through its territory en route to neighbouring countries.

Daan Colesky, South Africa's Commissioner of Customs and Excise, said yesterday that the import levies — reportedly 125 per cent of the customs duty — had taken effect

Monday on imports to Zambia. He said the levies were instituted because of customs fraud, not in retaliation for Zambia's stance on sanctions.

He said the levies, refundable once the imports reach the country of destination, would be imposed on goods of any country linked to customs fraud.

The border checks of truck cargo, he said, were being conducted for a "statistical survey."

In Washington, the White House yesterday said South Africa's decision to impose a retaliatory import tax on neighbouring black-ruled nations was counter-productive and would lead to economic dislocation.

Presidential spokesman Larry Speakes said President Reagan generally opposed sanctions of any kind, believing they were counter-productive and polarizing.

Reagan, like British Prime Minister Thatcher, has declined to impose tough measures against Pretoria on the grounds they would hurt those the U.S. was trying to help.

An explosion more than 2,000 m. underground yesterday killed nine gold miners and injured 15, the Gold Fields Mining Company said.

The company said the cause of the midday explosion at its Deekraal mine west of Johannesburg had not been determined.

It said the blast occurred in a development area. Production was not affected.

The injured miners were taken to a hospital in Carletonville, where three were reported in serious condition.

E. Berliner faked escape story

WEST BERLIN (Reuters). — An East Berliner confessed yesterday to faking his story of a spectacular escape to West Berlin in a fake Soviet military car with three tailor's dummies dressed, like himself, as Soviet soldiers, a judiciary spokesman said.

He said Heinz Braun, 48, made the admission during an interview with the police yesterday and said he had fabricated the story to draw attention to next week's 25th anniversary of the Communist-built Berlin wall.

Braun had been the owner of a tyre repair depot in East Berlin. Braun's spectacular tale made headlines world-wide and moved a British newspaper and a U.S. television network to pay large sums of money for details. However, U.S., British and French authorities here had been sceptical throughout.

"It was fabricated. (Braun) fled from East to West Berlin in the middle of June and has not been back since then," a judiciary spokesman said of Braun's story. He did not say how Braun arrived.

The story broke only weeks after another escape report was discredited. It involved an alleged armed break-out attempt by a group of soldiers in an East Berlin underground tunnel.

ALBANIA. — Stalinist Albania, which is cautiously easing its isolation from the rest of Europe, yesterday became the last European country to be linked to the continental railway network when a 24-km. section of track was formally opened, completing the link between Titograd in Yugoslavia and the northern Albanian city of Shkoder.

10,000 refugees fled to W. Germany in July

BONN (Reuters). — West Germany said yesterday that nearly 10,000 refugees sought asylum in July, and Interior Minister Friedrich Zimmermann warned that he would make the influx a major issue in next January's national elections.

The Interior Ministry said the influx of refugees was the highest for a single month for six years and that nearly 90 per cent of those seeking political asylum came from Third World countries.

Iranians made up the biggest contingent with 2,339 followed by Lebanese, Palestinians and Ghanaians.

About half of the refugees entered through East Berlin. Bonn has unsuccessfully urged East Germany to curb the influx.

West Germany has said it is losing control over the flood of refugees, who are now being housed in emergency quarters such as tents and containers at reception centres.

Zimmermann brushed aside appeals by the liberal Free Democrats (FDP), part of the ruling Social coalition, and the opposition Social Democrats (SPD) to keep the refugee issue out of election politics.

He wrote in the Munich weekly



Princess Caroline leaves hospital in Monaco with Charlotte, the latest addition to the principality's royal family, born August 3. With them, from left, are her son, Andrea, Stephano Casiraghi, and her father, Prince Rainier. (Reuters)

Rhodesian experience

History shows sanctions work—slowly

HARARE, Zimbabwe (Reuters). — Advocates and opponents of punitive economic sanctions against South Africa's white-led government can turn to a ready example in the former territory of Rhodesia — which survived 15 years of a world trade embargo.

Eventually, the defiant white leaders of the landlocked, onetime British territory had to concede the principle of black majority rule, paving the way for the independent state of Zimbabwe.

Now "the Rhodesian factor" is part of current argument over proposed international sanctions against South Africa which are being considered as a protest against its apartheid system.

Many observers say that based on what happened in Rhodesia, sanctions don't work. But others say they worked, but took a long time.

The 15 years of rebel rule in Rhodesia, from break-away with the British crown in 1965 to independence as Zimbabwe in 1980, marked the most comprehensive effort in recent history by world opinion to bend a delinquent nation to its will through punitive economic action.

For a defiant white minority, it was a heady time as they flouted world opinion and, for a time, repelled its harshest strictures.

"In practice very large numbers of countries, including many of those most vocal about the desirability of sanctions, continued to trade in one way or another," said a paper produced late last year by the British Foreign Office. "Middlemen quickly emerged to find ways round sanctions. This would be likely to happen with South Africa also," it added.

Britain began imposing economic restraints within a week of Rhodesia's declaration of independence in 1965, and progressively widened them over the next three months. It was followed by the Commonwealth, the Organization of African Unity and the United Nations, which adopted mandatory sanctions in December, 1966.

But many countries, including South Africa, ignored them. Sanctions-busters ensured that vital imports such as oil continued to flow.

The Rhodesian experience of sanctions was marked by two distinct phases. Indeed, the first stage, from 1965 to 1974, saw an economic boom for the country as sanctions gave a strong impetus to self-reliance, import substitution and development of the manufacturing industry.

"Sanctions was the best period in this country," said the head of a large Harare-based construction company. "We had to make do, everybody buckled down. We weren't going to be told what to do by the world," he added, asking not to be named.

But in the second phase, from 1974, the sanctions boom was brought to a sudden halt by a variety of factors, including the oil crisis of that year, world recession, high world inflation rates, the escalating guerrilla war inside the country and prolonged military call-ups for all white men under 50.

"Although sanctions didn't work to start with, they worked in the end by attrition, sapping personal and business morale," said one "sanctions-buster" who still works in Harare and requested anonymity.

There are some close parallels between South Africa and Rhodesia. As the Rhodesians did, rulers of South Africa reject sanctions as a way of achieving political change and assert that they will hurt the majority blacks far more than the privileged whites.

Like the Rhodesian sanctions war, the neighbouring states will also again be badly bruised. Mozambique recently said implementing sanctions against Rhodesia cost its battered economy \$300 million between 1977 and 1979. Zambia and Zimbabwe itself will also be hurt, but both states say they are willing to pay the economic toll of backing sanctions.

Canadian political scientist Margaret Doxey, an expert on such international sanctions, says that the main lesson to be learned from the Rhodesian experience is that sanctions are unlikely to be universally applied.

Star Wars survives move to cut budget

WASHINGTON (Reuters). — President Reagan's "Star Wars" missile defence programme has narrowly survived a serious challenge in the Senate, escaping more funding cuts by one vote margins.

The Senate Armed Services Committee had already cut Reagan's \$5.3 billion request for the programme next to \$3.9b, but the full Senate Tuesday rejected by identical 50-49 votes two attempts to cut it even further.

Opponents tried on the first vote to cut the funding to \$3.24b, and, after that failed, tried to cut it to \$3.56b.

Soviets cede China's claim on border

MOSCOW (Reuters). — The Soviet Union is ready to consider China's position on a protracted dispute over the demarcation of their border along two rivers in North-east Asia, a Deputy Foreign Minister said yesterday.

Mikhail Kapitsa said Moscow was prepared to recognize that the border passed along the main channel of the Amur and Ussuri Rivers rather than on the Chinese side of the rivers.

Kapitsa, an Asia specialist, was expanding on a speech by Soviet leader Mikhail Gorbachev in Vladivostok last week in which he called for better relations with China and held out the prospect of an agreement on the disputed river frontier.

Referring to treaties signed between China and Tsarist Russia, Kapitsa told a news conference: "What this means is that a number of islands which under the treaties were considered part of Russian territory would be beyond the mainstream and part of China."

Chinese leader Deng Xiaoping told a visiting Japanese delegation on Tuesday that the Gorbachev speech contained positive elements, but added there were still obstacles to an improvement in Sino-Soviet relations.

China cites Soviet troop concentrations along its border, the Soviet intervention in Afghanistan and Soviet support for the Vietnamese presence in Kampuchea as three obstacles to better relations.

Hiroshima adds 5,000 dead to list of A-bomb victims

HIROSHIMA. — The names of almost 5,000 fresh victims of the Hiroshima nuclear blast were added to a memorial roll yesterday as the city silently marked its devastation 41 years ago.

The addition of 4,941 people who died in the past year from the bomb's effects brought the total number of A-bomb victims to 143,590.

Cars and trams stopped in the streets, people clasped hands in prayer, offered flowers, or simply stood and remembered the victims of the world's first atomic bomb.

Only a tolling bell broke the silence kept by a crowd of 50,000 in the city's Peace Park, where the "Little Boy" bomb exploded at 8:15 on the sunny morning of August 6, 1945.

Mayor Takeshi Araki read

(Reuters, AP)

Sri Lanka rebels blast port

COLOMBO. — Tamil guerrillas blew up boats, torched vehicles and seized firearms in an attack on a main port in the eastern Sri Lankan city of Trincomalee yesterday, police said.

Police said about 30 guerrillas tied up five watchmen and set off explosives at "Mud Cove" jetty in the port's commercial harbour. The jetty, six cars, a tug and a passenger launch were badly damaged in the attack. No casualties were reported.

The port, 225km. north-east of Colombo in the Trincomalee district,

is now used mainly by commercial shipping but the Sri Lanka navy also uses part of the harbour as a base.

It was the second day of guerrilla attacks on transport in the Trincomalee area. On Tuesday, guerrillas blew up a railway line, injuring a train driver and his assistant when the engine ploughed into a crater left by the blast.

Trincomalee falls in the region where minority Tamil rebels want a separate state carved out of the north and east of the island. (AFP, Reuters).

50 killed, 150 trapped in train collision

NEW DELHI (Reuters). — Rescue workers fought through blinding rain yesterday to free 150 passengers trapped in a flooded gully by the wreckage of a train crash which killed at least 50 people.

State-run television said rescue work was still in progress 18 hours after the crash in India's eastern Bihar State.

It said 50 bodies have been recovered, 30 people taken to hospital in a serious condition and 150 passengers were still trapped. The death toll was expected to be much higher.

The Press Trust of India (PTI) news agency said the accident happened when a passenger train slammed

into several wagons which broke away from a freight train during the night without the driver knowing.

The engine and first two coaches of the passenger train plunged into the gully when they slammed into the rear of the runaway wagons on a bridge in darkness at 3 a.m.

The gully, normally dry, was flooded from monsoon rains sweeping the area.

The accident occurred near Dhanbad, about 200km. south of the Bihar state capital Patna.

The crew of the passenger train were among the dead.

Entombing of Chernobyl delayed

MOSCOW (AP). — A shortage of cement is delaying work on a concrete tomb around the crippled No. 4 reactor at the Chernobyl nuclear plant, the Communist Party daily Pravda said yesterday.

"The construction of this sarcophagus is going on slower than one would like," Pravda said.

It added that efforts to restart reactors No. 1 and 2 at Chernobyl, and to repair a third unit adjacent to the No. 4 reactor, depend on completion of the concrete tomb.

Soviet officials have said they plan to restart reactors No. 1 and 2 in October.

The Pravda criticism was a contrast to the usually upbeat reports about the cleanup at Chernobyl, where a

chemical explosion tipped apart the No. 4 reactor on April 26 and sent radiation spewing into the atmosphere.

An English-language summary of the Pravda story issued by the official news agency Tass omitted any reference to delays, and said work on entombing the No. 4 reactor is "proceeding as planned."

But Pravda itself said two cement plants recently built near the reactor complex are not operating at full capacity, which is delaying construction of the concrete shell designed to stop radiation leakage. The structure also is to include cooling and monitoring equipment.

Pravda did not say why the concrete factories were not working at full capacity.

MIDDLE EAST NEWS

Mubarak, Hussein confer

ALEXANDRIA (Reuters). — Jordan's King Hussein and Egyptian President Hosni Mubarak, central players in the search for Middle East peace, held their first face-to-face talks in three months in Alexandria yesterday.

The two, who confer frequently by telephone, were expected to focus on peace prospects after their recent separate talks with U.S. Vice President George Bush.

Hussein's six-month-old rift with Palestine Liberation Organization leader Yasser Arafat — which Mubarak wants to mend — is likely to figure in the discussions.

There were persistent rumours that Arafat was expected in Cairo. His No. 2, Abu Jihad, met Egyptian Foreign Minister Esmat Abdel Meguid in Cairo Tuesday.

Since Mubarak and Hussein last met in Amman in May, Jordan's break with Arafat over conditions on which the PLO could negotiate with Israel deepened when Jordan closed

25 offices of the main PLO group, Fatah, which Arafat also heads.

A year-old agreement between Hussein and Arafat on joint negotiation for peace broke down last February over the PLO chief's refusal to accept UN resolutions as a basis for talks because they recognize Israel's right to exist but not Palestinian rights to self-determination.

There has been no evidence so far of success in Mubarak's reconciliation attempts.

The two leaders are expected to discuss a new U.S. attempt to revive the stalled peace process.

Bush, flying home after a 10-day tour of Israel, Jordan and Egypt on Tuesday, said leaders of all three countries had agreed on several "points of commonality" among themselves and Palestinian leaders from the administered territories.

While acknowledging there was nothing "brand new" in the principles, Bush said he believed they created a basis for advancing the peace process.

Terrorist Abbas in Algiers

BAGHDAD. — The Palestinian terrorist leader Mohammed Abu Abbas, sentenced by an Italian court to life imprisonment for organizing last year's hijacking of the Achille Lauro cruise liner, is in Algeria, where he remains a full member of the PLO's executive committee, according to a senior Palestinian official here.

Azam al-Ahmed, who served in the Iraqi capital as the PLO's fully accredited representative, said in an interview that although Abbas had not been stripped of his membership of the PLO executive, "I have not seen him at one of our meetings for quite a long time." An internal inquiry into Abbas' role in the Achille Lauro hijacking was still under way, he said.

Al-Ahmed's disclosure that Abbas, leader of the small Palestine Liberation Front faction of the PLO, is now in Algeria was the first indication that he had left Tunis, where PLO leader Yasser Arafat and other senior Palestinian leaders are based. He had been sentenced in absentia by the court in Genoa on July 10, when authorities said they believed he was still in hiding in Tunisia.

The PLO representative here repeated previous denials that Arafat himself had been involved in the Achille Lauro hijack. PLO spokesman Ahmed Abdel Rahman earlier described the Italian court's verdicts, in which two other PLO officials were sentenced to life imprisonment, as a "scathing denial of the gratuitous and unjustified accusations of terrorism launched against the PLO by Washington and Tel Aviv."

Al-Ahmed also denied reports that the PLO was planning to move its headquarters from Tunis to Baghdad in the wake of the ouster of Tunisian Prime Minister Mohammed Mzali, who was regarded as a champion of the PLO. Similarly, he said, there were no plans for offices closed in Amman by Jordan's King Hussein to be reopened in Iraq.

The PLO official confirmed recent reports that Lebanese President Amin Jemayel has started reissuing travel documents to Palestinians who fled Lebanon in 1982 after the Israeli invasion to enable them to return to Lebanon. Jemayel has reportedly been strengthening his ties with the PLO in recent months.

This is likely to set him on a collision course with Syria's President Hafez Assad, whose attempt to draw up a tripartite Lebanese agreement at the beginning of this year was foiled when Lebanese Christian leaders, of whom Jemayel is one, refused to sign the Syrian-sponsored document.

"You would be surprised if I told you who it was who first warned us in 1982 that the Israelis were invading," al-Ahmed said in the PLO "embassy" here. "Yes, it was Amin Jemayel."

Al-Ahmed said the PLO's relations with the Iraqi regime of President Saddam Hussein were excellent. "The Iraqi position is that whatever is acceptable to the PLO is acceptable to Iraq," he said. "Whatever we do not accept, they do not accept."

(London Observer Service)

Abu Jihad denounces Bush tour

RIYADH. — The Palestine Liberation Organization's second-in-command, Khalil Al-Wazir, also known as Abu Jihad, yesterday denounced U.S. Vice-President George Bush's Middle East tour as a "violent provocation" of Arab feelings and an "electroshocking stunt."

Al-Wazir was quoted in an interview with the Saudi Arabian newspaper *Al-Sharq Al-Awsat*.

He charged that Bush was only catering to the U.S. Jewish electorate when he visited Jerusalem and the Western Wall, and he added that the visit represented "a violent provocation of national, religious, Palestinian, Arab and Islamic feelings."

"It is why many Palestinian figures

(from the West Bank) refused to meet Bush," he said.

The interview was published as a Kuwait newspaper reported that Bush met secretly with Al-Wazir, while in Cairo on Monday.

The Kuwaiti paper *Al-Watan*, in an uncorroborated report, said the meeting between the vice president and Al-Wazir dealt extensively with the prospects of a Palestinian settlement and reviewed relations between the PLO and Jordan.

Al-Wazir was asked to leave Jordan earlier this year as relations worsened between the Amman and the PLO leaderships after King Hussein suspended his contacts with Arafat over a joint peace stand with Israel.

Milhem backs plans for Arab mayors

AMMAN (AP). — A senior Palestine Liberation Organization official said yesterday he agrees in principle with plans to appoint Arab mayors for cities in the West Bank, despite hard-liners' complaints that the idea would assist Israeli plans.

Executive Committee member Mohammed Milhem said he did not even object to autonomy for the West Bank — a proposal of Israeli Prime Minister Pines — "If the autonomy is a transition period to something else," apparently a reference to independence.

On mayoral appointments, Milhem said, "The PLO and Jordan will have to agree (on a candidate), but more important is that any prospect should be acceptable to the people, before Jordan and the PLO."

He noted that the PLO and Jordan had agreed on the appointment of Nablus Mayor Zafer al-Masri, and said plans to appoint other mayors had been frustrated by Masri's assassination in March, apparently at the hands of Syrian-backed radicals.

Milhem, who heads the occupied territories affairs department for the PLO, was the elected mayor of Halhul when Israel deported him in 1980. His stands expressed in the interview appeared to be more flexible than those of many other PLO officials, who have attacked plans to name West Bank mayors without PLO approval.

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HOME NEWS

Top legal experts fear:

New racism law may legitimize incitement

By ANDY COURT
For The Jerusalem Post

Prominent lawyers doubt that the law against racism passed at midnight on Tuesday will have anything more than a symbolic effect. Some actually fear the law may legitimize racist incitement that makes use of religious texts.

"We were almost better off before the law," said law professor Ruth Gavison, the acting chairman of the Association for Civil Rights in Israel. "My fear is that it's not going to make a real legal difference. The secular racists are slightly worse off now. I'm afraid the rhetoric of religious racism will become more eloquent and more vocal."

Gavison was referring to a clause in the law against racist incitement that exempts material "that aims at preserving the character, uniqueness or worship of a religion, provided that this was not done with the object of inciting to racism."

Lawyers disagreed over the significance of this passage. Some, such as Moshe Drori, Jerusalem attorney and writer on legal topics, believed the passage rendered the law pointless. "No one can blame anyone who is under the cover of Jewish, Christian, or Muslim discourse," Drori



Ruth Gavison

said. "This makes the law irrelevant," he said.

But Hebrew University law professor Stephen Goldstein believed there was room within the wording of the law to prosecute someone who purposefully incites racism, even if that person quotes religious material.

Communications Minister Amnon Rubinstein, a former dean

of Tel Aviv University's law school, reportedly subscribes to this view. "If the religious quotation is not bona fide, if the quoter is somebody who has a political and social action in mind, then the court will find him guilty according to this law," said Rubinstein's spokesman, Yehoshua Amishav.

None of the lawyers interviewed

expected the law to be used very often, but several believed it was valuable nonetheless. "As a proclamation of anti-racism, it's very good. But that's all," said Haim Cohn, former Supreme Court justice and president of ACRI.

Yitzhak Neuner, chairman of the Israel Bar Association, said: "It's effective as far as educating the public is concerned. It's a good step forward, but it's still not what we would have liked to have had as an effective weapon."

What will make the law particularly difficult to implement is the necessity of proving intention to incite.

"You can prove this by referring to the accused's other speeches, what he said before, what he did afterwards," Neuner said. "But that is much more difficult than simply proving that the person published something that was likely to incite racism, as the earlier draft of the law stipulated."

Experts were uncertain about the effect the law would have on Kach MK Meir Kahane, its original target. The very fact that Kahane voted for the law seemed to indicate that he would try to portray his political platform as an integral part of the Jewish tradition, Gavison said.

Hiroshima remembered by Japanese pilgrims at Yad Vashem

By ERNIE MEYER
Jerusalem Post Reporter
and Itim

At 8:15 yesterday morning, a memorial service was conducted at Yad Vashem by 18 Japanese pilgrims marking the 41st anniversary of the bombing of Hiroshima.

Why Shinto and Catholic prayers at Yad Vashem? In a pamphlet explaining their mission, the visitors quote Eli Wiesel, who said: "The Holocaust and Hiroshima are linked together in history. Auschwitz made Hiroshima possible - that is, we must remember them both."

The Pilgrimage for Peace, as the participants call their group, is associated with the Auschwitz Pavilion for Peace, which is to be built in the small town of Kurose in the Hiroshima district. The delegates, led by Rev. Hideaki Kuwabara, president of the Hiroshima and Auschwitz Committee, are mostly professors, clergymen and businessmen. Two members of the delegation were received by Prime Minister Shimon Peres yesterday.

The town of Kurose, with a population of only 15,000, intends building the Auschwitz Pavilion on an eight-dunam site.

A committee to foster the project was set up in 1963. A big step forward was taken 10 years later, when the towns of Kurose and Auschwitz signed a twinning agreement.

The pavilion was designed by architect Fumikatsu Inoue, 42, who has been living in Israel since 1966. He held a press conference yesterday that one-quarter of the \$4m. required for the project had already been collected, and that construction might start in a year. "We want to bring Holocaust survivors to the ground-breaking ceremony and we are receiving support from many quarters, including the Jewish community of Tokyo."



Members of the Japanese Pilgrimage for Peace, a group commemorating both Hiroshima and Auschwitz, lay a wreath at Yad Vashem yesterday.

He added that the committee was not asking the Japanese government for support, since it wished to remain independent.

The design provides for lecture halls and exhibition space. Each of the pavilion's twin towers is shaped like a crane, Japan's national bird, with beaks close to each other, but not touching. This symbolizes the similarity between the tragedies of Auschwitz and Hiroshima. The floor plan of the main building is in the shape of a Star of David.

Inoue was asked whether he did not see a basic difference between the bombing of Hiroshima, which was the result of Japan's aggressive war against the U.S., and the German slaughter of Jews, who had not attacked anyone. By way of reply, Inoue said he believed that, if Japan had had the bomb before the U.S., it would not have hesitated to use it on New York and Chicago. "We want to warn the world, including our own government. We feel that humanity was killed at Auschwitz. We are aware of the huge difference between the two events, and we have great sympathy for the victims of the

Holocaust. When we mention Hiroshima, we always caution against forgetting Auschwitz."

Inoue said there was opposition to the project in Japan. "Some people are pro-Arab, some say Auschwitz never happened, and some don't want to hurt German feelings... We also teach our youngsters about Japan's war crimes," he said, adding that high school pupils were lectured on the Holocaust, too.

The elaborate brochure mentions that, between 1941 and 1945, Japan took in about 27,000 Jewish refugees. Some 2,000 were allowed to stay in Kobe, while the majority were in Shanghai, which was under Japanese control. "Ironically," the pamphlet continues, "this number exceeded the total of Jewish refugees taken in by Canada, Australia, New Zealand, South Africa and British India."

In this connection, Inoue mentioned the humanitarian action of the Japanese consul in Kovno, Lithuania, who freely issued visas to Japan and thus saved about 3,000 lives. His death at the age of 86 was reported this week.

Palestinians feel law does not protect them

By JOEL GREENBERG
Jerusalem Post Reporter

Yesterday's passage of the anti-racism bill has provoked a cool reaction among Palestinians in the territories, whom the law is designed in part to protect.

"The law doesn't protect me, because it has no substance and is ineffective," said Ziyad Abu Zayyad, editor of the Palestinian Hebrew language weekly, *Geshet*. He said the law's exclusion of religious-related publications left the door open to the use of Jewish sources to encourage racism and feelings of Jewish superiority.

Zayyad said legislation alone, without changes in Israel's educational system, would have little effect. "Israel has to re-examine its whole educational system and culture to determine what values it wants to promote," he said.

Zayyad said passage of the diluted law was in effect a victory for the Likud, which managed to obtain passage of a parallel bill prohibiting meet-

ings with the PLO.

The editor of East Jerusalem's *Al Fajr* newspaper, Hanna Seniora, said the anti-racism bill had "no teeth," and did not provide sufficient means to prosecute persons guilty of racist incitement. "It was primarily meant for public relations, to show that Israel is not racist, and is legislating against Kahane, when in fact he voted for the bill, which is a contradiction. The law was put on the books to contain Kahane but he outsmarted those who proposed it."

Seniora said he preferred to focus on the law banning contacts with the PLO, which he called "legislation against peace, since it prevents talks with your enemy. As a Palestinian, this law, and not the bill against racism, is more dangerous for me," he said.

Seniora agreed with Zayyad that there was a need to reform Israel's education system. "We know the Orthodox parties have come out against meetings between Jewish and Arab students," he

said. "What is required is a change in attitude, and this takes time. There has to be an educational effort to remove the stereotypes."

Daoud Kuttub, editor of the *Al Fajr* English language weekly, said many Palestinians still did not understand the precise meaning and implications of the law. He said many viewed the racism problem as primarily an Israeli issue, where roots ran deeper than the Kahane phenomenon. Exclusionist views related to Zionism, and the idea of a Jewish state mean that we Palestinians are a problem," Kuttub said. "Kahane has only proved crude recognition of what other people were trying to hide, he expressed feelings common to other Israelis."

Kuttub said he did not believe the new law applied in the territories, which are governed by military law. However he said its passage could provide the Defence Ministry with a better legal basis to take action against racist activity in the territories.

Sephardi leader slams dubious WZO appointment

"The person who picked David Abayou to head the World Zionist Organization's Sephardi Communities Department committed the error of his life and ought to draw the logical conclusions," David Sitton, chairman of the Sephardi Community Council in Jerusalem and vice-president of the World Sephardi Federation, told *The Jerusalem Post* yesterday.

Sitton was referring to Federation treasurer Leon Tamman, of Brighton, England, after yesterday's disclosure that Abayou had sold the WZO-Jewish Agency two Tora scrolls that had been donated by Sephardi Jewish communities and stored at the Federation's London office, where Abayou served as secretary.

Abayou sold the scrolls six months ago for \$10,000, claiming they had been smuggled out of Iraq. They are now in a Tel Aviv synagogue.

Rabbi Solomon Gaon, former Sephardi chief rabbi of Britain, arrived here this week from the U.S. and positively identified the scrolls as those that were stored in the London office.

Abayou dropped out of sight in mid-June amid reports that WZO-Agency comptroller Renana Gutman was investigating him and his department for alleged financial irregularities. He has since been located in Paris, where he is living with his sister, having left his wife and two children at their Tel Aviv home. He has reportedly said he will return to Israel if the Jewish Agency sends him an airline ticket.

(Continued from Page One)

ment MKs. Six Alignment MKs voted against it, along with the left-wing opposition. There were 22 Alignment MKs registered in the roll-call as "absent."

Not a single Alignment minister voted for the measure prohibiting meetings with PLO officials. The closest was Minister-without-Portfolio Yigael Hurvitz, who is Alignment-affiliated.

This breakdown in the Alignment voting pattern speaks worlds.

Both measures were conceived in some confusion, and went through a meandering and haphazard legislative process, which gave this country's parliament little credit. In every faction, in the pre-dawn hours of Wednesday, many MKs could be found who admitted that they had not got quite what they bargained for.

The law against racist incitement is almost what jurists call a *lex ad personam*, a law aimed at one person - since mainly it affects Kach founder and leader Kahane but could also cause problems for a few thousand of his supporters.

The law against meeting PLO officials is even more restricted in scope. Who knows if more than a score of Israelis have ever met PLO figures? In that respect and in others, both measures are much more political-ideological statements, than laws aimed at eliminating a fault in this country's society.

The laws are not aimed at society as a whole; rather, they are aimed by one political trend against another.

Though both laws have teeth, in the form of prison terms, the teeth in the anti-racism law may need to be used to bite only a few times as a deterrent and then, like dentures,

they can be put away on the top shelf. The teeth in the law against meetings with the PLO will probably cause such international agitation, as well as domestic controversy, that the authorities will not hurry to send many political martyrs to the stake because of it.

Both measures are the kind which will naturally motivate politicians to put them to the test. Kahane yesterday retorted two private bills, based on quotations from Maimonides, which Knesset Speaker Shlomo Hilel last year rejected as "racist."

Meanwhile, in the left wing camp, stretching from the Citizens Rights Movement through Mappam to the Progressive List for Peace and the Democratic Front for Peace and Equality, the rumour is already circulating about Israeli figures planning to hold meetings with PLO officials in order to cock a snook at the ban.

If MK Mattityahu Peled sees PLO chairman Yasser Arafat, he could claim absolute parliamentary immunity in that he is acting in the course of his duties as a Knesset member. If his extra-parliamentary party colleague Uri Avnery, the magazine editor, meets Arafat, his trial could throw a blinding international spotlight on Israel for weeks, which the government may not quite relish.

The law against publication of incitement to racism was watered down significantly by the government's addition of the element of "intent," which is always hard to prove in court.

It was also watered down by removing religious material from the

list of grounds for prosecution, and stating explicitly that religious writings, prayers and ritual could be used in advocating a faith, provided there was no intent to incite.

The watering down of the law against racism inspired Mappam, the CRM, the DFPE and the PLP, as well as most of *Shinui* to vote against it. These same MKs, ironically, were the ones who had fought hardest in the beginning for the law. In contrast to Biliam, the Gentile prophet in the Tora, who came to curse and went home blessing, they intended to bless but went home cursing.

The parliamentary joke, if it can be called such, became still more macabre when Kahane voted against himself and for the law, because he believed he saw a loophole in it.

The Alignment's Micha Harish, who has worked harder than most of his colleagues against Kahane by helping to organize two big anti-Kach demonstrations in his home town of Givatayim, told *The Jerusalem Post* he was optimistic about the law against racist incitement.

He is proud of his role in blocking Kahane. "The police always complained that they had no tool in the statute book to use against Kahane's racist ranting," he said. "If they had a tool, they would prosecute him. Now they can go ahead."

The Likud was not widely enthusiastic at first about the racism law, although former justice minister Moshe Nissim fought hard for it.

But at the parliamentary level the Likud outsmarted the Alignment faction. Seeing how keen the Alignment was to block Kahane, it began to link the measure with the proposal

to bar meetings with PLO officials, and the Alignment tumbled into the linkage trap, never to emerge.

The Alignment came out of the entire affair as a divided, leaderless, and bumbling body, far outmatched by the Likud.

The law banning meetings with PLO officials was drafted by Nissim when he found that then attorney-general Yitzhak Zamir saw no grounds in existing laws to prohibit such meetings when there was no immediate danger to national security.

The advent of the proposed measure was not attended by any publicity and before the public realized what was happening, it had become a political fact.

Nissim circulated the draft in memo form, as usual, among all ministries prior to discussing it in the Ministerial Committee on Legislation.

At this stage the Alignment showed itself not only rudderless but also incapable of understanding what was going on.

Defence Minister Yitzhak Rabin, after having his officials study the memorandum, told the ministerial panel that he had no objections at all to the banning of meetings with PLO officials.

Rabin's clear stand put Prime Minister Peres in a spot. Peres presumably did not want to appear to be contradicting Rabin. So the Prime Minister's office did nothing.

The Alignment's legislative veteran, energy minister Moshe Shabai, also did nothing. He explained later that he was abroad when the Ministerial Committee on Legislation

met. If fact, as it transpired, he was abroad for three or four days, and could easily have demanded a second consideration of the draft measure, or appealed to the full cabinet against it, or got Peres to intervene. Instead he stayed silent.

The other legislative expert affiliated to the Alignment camp was just as impotent: Communications Minister Amnon Rubinstein attended the meeting of the committee, but rather than knock the proposal out of court, he suggested ways of polishing it up.

As a result, the measure was sent direct from the committee to the Knesset Speaker in the form of a government bill.

Some Alignment minister, gripped by a sudden panic, sent cabinet secretary Yosef Beilin to the Knesset presidium and had the government bill removed from the agenda. But the strategem was too crude to succeed. The Likud members of the coalition executive, discovering that the proposal had vanished, sent the alarm signal ringing, and got Nissim to intervene.

From then on, with the measure on PLO meetings "linked" to the measure on incitement to racism, all the Likud had to do was bide its time and show the Alignment up in all its disunity and confusion.

No wonder that Nissim was overheard in the Knesset dining room, after the PLO meetings bill became law, saying to a friend: "I regard this law as one of my principal achievements."

No wonder that not a single minister in the Alignment mainstream turned up to vote for what was their own government bill, carrying official coalition backing.

Heftziba crash driver freed

AFULA (Itim). - Magistrates' court Judge Oded Gershon yesterday ordered the release from custody of Shimon Shukrun, the truck driver suspected of criminal negligence in last week's Ta'amechim Road crash. Shukrun had been held in custody since the accident which killed 10 kibbutz Heftziba members.

After reviewing the police files, Oded concluded that there were no grounds to grant the police prosecutor's request for an additional 15-day remand.

"I can't escape the feeling that the police request is influenced by the tragic outcome of the accident, the large number of victims, and not by the evidence," Oded said in his decision.

Shukrun was ordered to post bond of NIS 10,000 and deposit his passport with the police.

After his release, Shukrun said: "I have had nightmares every night since my arrest. But I kept going because I believed I was not to be blamed. My parents, family and employers helped me get through this."

Bail for 83-year-old suspected of stabbing

TEL AVIV (Itim). - An 83-year-old man suspected of stabbing the woman he once lived with was released on bail yesterday by the magistrates' court here.

Moshe Kalberes is suspected of stabbing 57-year-old Rivka Ben-Ezra in the chest and stomach on Sunday after an argument on a Heftziba street.

More Sephardi children in religious boarding schools

By CHARLES HOFFMAN
Jerusalem Post Reporter

Shas has succeeded in increasing the number of Sephardi children from poor families who get government subsidies to attend religious boarding schools, since one of its leaders, MK Rabbi Rafael Pinhasi, took over late last year as deputy minister of labour and social affairs.

Pinhasi said in an interview yesterday

that a unit under his authority as deputy minister subsidized this boarding school education each year for 4,750 children. They were enrolled because their families chose this type of education, he said, and not because local welfare officials decided that a bad family situation necessitated taking the child out of the home. Some 10,000 children in the latter category were sent each year to boarding schools and foster homes by the ministry, he said.

The money to subsidize the 4,750 children comes from a special fund set up about eight years ago by a donor from abroad, which is administered by the Treasury.

"When this fund was set up, most of the children helped were Sephardim from development towns and

deprived urban areas," said Pinhasi. "But due to coalition politics, more and more Ashkenazi children were added." But since Pinhasi took office, the ministry has changed the criteria so that 60 per cent of the children are Sephardim and 40 per cent Ashkenazim, instead of the other way around.

"This happened because we gave preference to those children who study at schools outside their home towns - which is more just, in any case," he said.

The development town children also get extra aid for dental care, clothing and other needs through a recently approved special allocation.

Pinhasi denied rumours within the ministry that he and Shas wanted more influence over the placement

of the 10,000 children taken out of their homes by the welfare authorities.

"It is not my job to decide what institutions to send these children to," he said. "Occasionally we get complaints that social workers don't want to send children to *haredi* (ultra-Orthodox) schools, but on the whole I think the social workers do their jobs properly."

Pinhasi served as a municipal councillor and deputy mayor in Bnei Brak for 12 years, establishing the first Sephardi ultra-Orthodox list in that town, which later became part of Shas.

Pinhasi said that he worked well with Minister Moshe Katsav, a view confirmed by ministry observers. Referring to his predecessor, Agu-



Rabbi Rafael Pinhasi (Karlinsky)

dot Yisrael MK Menahem Porush. Pinhasi said that "He wanted to create a separate ministry for himself, which is why he couldn't get along with Katsav and eventually resigned."

Darousha protests 'sell-out' on racism

By ROY ISACOWITZ
Post Political Reporter

TEL AVIV. - MK Abdel Wahab Darousha, the only Labour Party MK to vote against the anti-racism bill, said yesterday that his vote was "a protest against the sell-out to the right-wing and the religious parties."

The bill in its original form had been a compromise, Darousha said. But the changes inserted in it had "stripped it of all content."

The law would not succeed in preventing racism, Darousha said. "The opposite is true. It will have the

effect of hiding Israeli racism from public view."

Mappam leader MK Elazar Granot, whose party voted against the bill, said that the bill's passage through the Knesset had "highlighted the absurdity" of the situation engendered by the national unity government.

Almost all the parties had voted contrary to their original positions, Granot said. The left, which had originally supported the bill, voted against, while the Likud, which had originally been opposed, voted in favour.

The Sea of Halacha
Map of the Oral Law
Edited by Abba Kovner

A beautiful full colour replication of the symbolic map of the same name on display at Beth Hatefutsoth. The Nahum Goldman Museum of the Jewish Diaspora. It traces the complete chronological development and diversifications of the Oral Law to present day Halacha, graphically identifying the outstanding events, personalities, places, and trends. A superb instrument for teaching adults and children. Edited by Abba Kovner, design and graphics by Tehila Har-Gil, published by Rolnik-Keter Ltd. Size 66.5cm x 94cm. Available in rolled poster form, suitable for framing or as folded poster with detailed reference material printed on the back. Price NIS 10.- each.

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TENDER No. 61/582/86

1. THE JEWISH AGENCY (hereinafter the Agency) invites tenders from building contractors for the construction of a DAY-CARE CENTRE FOR THE ELDERLY, AT THE LOWER GALILEE REGIONAL COUNCIL, SPONSORED BY THE POSNACK FOUNDATION
2. The projected construction is approximately 480 sq.m.
3. Conditions of the tender as well as all other pertinent information can be obtained from Tuesday, August 12, 1986 from the Agency, 17 Kaplan Street, Tel Aviv, room 717 between 9:00 a.m.-12 noon, against a non-refundable payment of NIS 250.
4. A special tour of the construction site for contractors will be held on Monday, Sept. 1, 1986 departing at 10 a.m. from the offices of the Lower Galilee Regional Council (near Kadourie School).
5. Bids should be submitted not later than 1:00 p.m. on Wednesday, Sept. 3, 1986 at the address mentioned in paragraph 3 above.
6. This tender is open only to contractors registered in accordance with the Act regarding Registration of Contractors to abide by requirements of the Act and to be eligible to carry out the works as specified.
7. The Agency does not undertake to accept the lowest, or any other bid.

Flight from Fulda leads to key role in Tel Aviv Rotary

There & Then / Sraya Shapiro

THE JEWS of Fulda were unusually Orthodox. Much more so than the tradition-observing community of Frankfurt, some 80 kilometers away. A Mizrahi rabbi who came to preach Zionism in Fulda was ostracized, at the request of the local rabbi. Wolf Cegla was made to attend prayers at the synagogue three times a day. When he left for a Jewish secondary school in Frankfurt, the rabbi was dismayed. "It's dangerous!" he warned Cegla's parents.



Wolf Cegla

"Indeed it was!" Cegla smiles. He was recently appointed to the Board of Governors of Tel Aviv University. For the next three years, he will be one of the 13 trustees of the Rotary International Foundation, responsible for allocating the income from an \$80 million trust fund to such humanitarian purposes as inoculation of children against polio, scholarships for students, and feeding drought-stricken farmers. If he is not abroad, one can find Wolf Cegla at the office of the oil-processing plant which his brothers established when they came to Palestine in the mid-1930s.

He would not be a businessman, if he had been permitted to follow his chosen career undisturbed. He studied law, moving from one university to another, as was the custom in Germany, graduating in Berlin where he obtained his doctorate with a thesis on international law. But on April 1, 1933, Cegla was summoned to the president of the magistrates' court in Berlin-Pankow, to which he had been accredited.

"I assume you are not a non-Aryan," the president remarked. That Cegla was a Jew surprised him. "I would never have thought it possible," he said.

WOLF CEGLA turned up in Palestine during the hectic days of the Fifth Aliya, when Tel Aviv was full of highly-educated Yekkes vying for jobs as bus drivers, farmhands and even hot-dog vendors in Mograbi Square.

"I could have done the Foreign Advocates' exam within a year," he says, "but what for? Most of the lawyers I knew were engaged in business rather than in appearing in court." He availed, the transfer of funds from Germany, offered good business opportunities. Wolf Cegla, with his modern realism, went into business.

If you were not politically attuned and lacked a fair command of the Hebrew acceptable to the East European majority, there was little a German could do in the way of public service. The Rotary club offered an outlet, both social and communal.

Rotary was inspired by an American who believed that honest people at the top of their professions could have a fruitful exchange of ideas

while meeting weekly over a meal. In Palestine, Rotary was probably the only venue where Arab and Jewish businessmen and professionals met regularly with, and under the chairmanship of, British government officials.

Café Lorenz, midway between Tel Aviv and Jaffa, opposite the German Colony, hosted the Rotary meetings until the British left. Benjamin Sassoon, immersed in British tradition, became president. Cegla succeeded him.

THE TEL AVIV-JAFFA Rotary club has retained an aura of internationalism even without the British. Foreign diplomats join it to make contact with authentic Israelis. Pierre Gilbert, the maverick French ambassador who translated the French-Israeli *entente* on the eve of the Sinai campaign, was twice president of the club.

Incidentally, it was in Gilbert's villa, in Jaffa, that the Rotary International president, who came to this country for one day, promised to make Israel an independent district, over the opposition of Arab Rotarians, admitting the opposition was essentially "political" — a taboo word in Rotary. Wellesley Aron, a British Jew long settled in the country, was the first governor of the district. Cegla was the second. Aron now lives in Neveh Shalom, overlooking the Latrun monastery, where he and his companions are trying to prove that Jews and Arabs can live peacefully together.

Cegla is well known in the higher echelons of Rotary leadership. He has attended practically all Rotary conventions. He has represented the international president on several occasions in distant countries.

"One day I was sent to represent the president to District 182 — in Fulda," he relates. "It was a revelation. There was a standing ovation. It was as if they were saying, Forget the past! One does not forget, obviously. But one hopes for the future. That's Rotary."

Seeking the roots of haredi violence

Joel Rebibo

SUMMER VACATION begins this week for thousands of children who attend Hinech Atzmai schools (independent institutions run by Agadat Yisrael). While their peers from secular and state-religious schools have spent the last month in camp, at the pool or in front of the TV, these children have been sweating out July in their classrooms.

They will also have the distinction of being the first to return to school, beginning on average a week earlier than the other school systems. During the year they spend considerably more time in class, with fourth and fifth graders studying until 5 p.m.

Although most educators agree that the traditional three-month summer vacation is excessive (and often counter-productive) and the Israeli school day inadequate, the demands of the *haredi* school system could be too extreme in the other direction.

I have no doubt that the Hinech Atzmai system makes every effort to reach out to children in a warm, supportive way. Yet what is being done about those children to whom learning does not come easily?

Research shows that 10 per cent of all children have learning disabilities. Some have difficulty concentrating, some have difficulty with mathematical concepts, others are dyslexic.

Haredim aren't immune from learning disabilities and even the most compassionate rebbe doesn't have the time or skill to handle such children in his classroom.

The problem is compounded because of the importance that the *haredi* community places on learning. The child who is gifted and able to absorb new material easily, thrives in such a system and receives constant positive reinforcement.

But the child who can't read properly is constantly reminded that he is a failure. There are no outlets because learning is everything.

On average these children live in smaller quarters and have less means than their non-religious counter-

parts. It is difficult for a mother with nine children to give enough attention to a child who has been frustrated all day at school.

The problem only snowballs as the child gets older. He spends more and more time in the classroom feeling inadequate and frustrated. In his society, being good at art or at tennis holds no worth. As his peers are constantly praised for their ability to study, he becomes more and more alienated.

For these children, the opportunity to succeed can't come from the Talmud. They will not be the ones to find the solution to an apparent contradiction in Tosafot. But the one area that allows them to thrive is that of practical observance of *mitzvot*. Not in the academic sphere of how various authorities differ in their interpretation of Halacha, but by demonstrating their zealous protection of *mitzvot*. By screaming "Shabbos" at passing cars they show their love of Shabbat; by burning bus shelters they show how sensitive their souls are to the slightest obscenity.

To them, a night on the town burning bus shelters is a welcome diversion. It is a way to get some positive reinforcement. They may not be scholars but they are protectors of sanctity.

The angry calls for the complete cut-off of funds to *haredi* institutions that invariably follow such violent incidents are misguided. This is not a justification of *haredi* violence but an attempt to understand it.

Perhaps what is needed is more funding, not less. More teachers need to be hired in the crowded *haredi* schools, especially special education teachers who can help learning disabled children succeed.

It is true that this will not solve the problems of co-existence between the ultra-Orthodox and non-ultra-Orthodox (national religious and secular). But it may be a long-term solution to the violent extremism that has recently reared its ugly head.

Questions over the Pollard affair

Calev Ben-David

LIKE many American Jews, David Luchin has given much thought to the questions raised by the Pollard spy affair. However, he is in a better position than most both to understand the affair's political repercussions, and personally feel its effects. For the past six years, the 39-year-old professor of political science at Touro College in New York has also worked as a special assistant to that state's senior senator, Daniel Patrick Moynihan, an avid supporter of Israel and one of the most articulate and influential Democrats in Washington. David Luchin, for all of his life, has also been a committed Orthodox Jew.



David Luchin (Adam Teitelbaum)

He is now in Israel with his family on one of his regular visits here, and recently gave his personal observations on issues related to the Pollard affair before an audience at Aish HaTorah Yeshiva (Moynihan is an honorary chairman of the yeshiva's Jerusalem fellowship, which brings American Jewish students to Israel).

He began by saying: "Even discussing 'dual loyalty' publicly gives a victory to those who wish to raise the issue." Nevertheless, he was willing to talk openly about the near paranoid over-reaction that the Pollard affair generated in the capitol. "Right before I came here, the staff member of another senator said to a colleague of mine about me, 'Perhaps he goes to Israel too often on such trips.'"

Luchin also noted that "a government official brought to the atten-

tion of myself and many others a letter he had pulled out of the files which he said 'Herzog' had sent from Israel to the president, asking for clemency for an American Jew. It turned out to be a letter the late Chief Rabbi Isaac Herzog had sent to President Eisenhower in 1953 asking for clemency for the Rosenbergs."

He pointed out that "a Chinese-American was indicted this year for passing extremely classified material to the Chinese, but nobody thought of raising the issue of dual loyalty among Chinese-Americans, and surely no American leader would raise the issue on a visit to China. Yet George Bush is reportedly raising the issue with Peres on his visit here."

He downplayed the role anti-Semitism played in creating this reaction. ("It was probably the least significant motivation of those who raised the issue on Capitol Hill.") He sees it more as a consequence of Israel's complex and highly dependent relationship on American aid.

"American-Israeli relations have always been permeated by a schizoid quality. The U.S. sends massive funds to Israel but refuses it the right to choose its own capital [Moynihan has introduced a bill in Congress to move the American embassy from Tel Aviv to Jerusalem]. Thus it keeps its Arab friends happy with symbolic political gestures and prefers to satisfy its commitment to Israel by granting nearly all its requests for aid."

HE NOW sees the magnitude of this aid being threatened by the mood of fiscal austerity in Washington, particularly in the congressional approval of the Gramm-Rudman act, which would make deep automatic cuts in areas of the federal budget, including foreign aid. "Gramm-Rudman is a way the Congress can avoid taking individual responsibility for politically risky budget cuts, like aid to Israel." He pointed out that to circumvent any such aid cuts, two pro-Israel senators introduced a motion that proposed that Israel's repayments on its outstanding U.S. loans be reduced to a 5 per cent annual rate. "This motion, which would have saved Israel a tremendous

amount of money, was recalled only days after the Pollard arrest." Thus Luchin sees the genuine impact of the Pollard affair not in "the canard of dual loyalty," but in its influence in the Washington political struggle over the amount of aid to Israel.

In fact, he notes a curious irony as to the present position of the committed Jew's position in American politics. "It's no coincidence that the highest ranking Jew in the State Department was appointed to head their investigation into the Pollard affair, just like the Pentagon's highest ranking admitted Jew is serving as their leading spokesman in their criticism of the Lavi jet fighter. I see a growth industry here for Jews in American politics, as they appear to be thought of as the safest figures to criticize Israeli policy while avoiding the charge of anti-Semitism."

As to the question of American-Jewish scientists with access to sensitive material who have made aliyah, he responded: "America is not the Soviet Union, and the individual has freedom to emigrate if he chooses. However, I would say that the recent aliyah of one of NASA's top scientists certainly did not help the promotional possibilities of other visibly committed Jews in that agency." He quickly added: "What Pollard has been accused of is treason, no matter what his motivations may have been. A relatively small number of Americans have moved here and taken Israeli citizenship, and only to them

could the label of 'dual loyalty' conceivably apply."

This is not an alternative Luchin sees for himself. "I have no intention of ever making aliyah, at least not until the last eagle leaves America," he said. As a result, he refused to make any comment regarding Israeli politics, explaining: "Any American Jew who wishes the privilege of making public statements on internal Israel affairs should first buy a one-way ticket to Tel Aviv, preferably El Al."

David Luchin is a fascinating contradiction: he effortlessly mixes Talmudic *midrashim* and insider Washington stories in his talk, and moves at ease in yeshivot study halls and in Congress. He sees no conflict in a full commitment to America and liberal democracy, and Israel and Torah from Sinai. He has no problem wearing his black kippa in the Senate, or *davening* on the floor of the Democratic convention.

This is a position that many Israeli Jews might not easily understand, and one can only guess at the reactions of many non-Jewish Americans. Yet there was no doubt in David Luchin's voice when he said: "As an American, my first loyalty is to my conscience. As a Jew, my first loyalty is to the Torah. But the Torah is my conscience, and it tells me my first loyalty is to the country of the Diaspora in which I am living. I am extremely lucky to be living in a country where I can follow my conscience."

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Hungary clamps down on nonconformists

Judy Dempsey/Budapest

New tough line surprises Communist Party members, intellectuals

THE HUNGARIAN authorities are adopting a much tougher line against newspaper editors and members of the opposition in a move which has surprised Communist Party members and intellectuals.

Last month, a literary monthly journal, *Tiszta Taj*, which is published in the university town of Szeged, was ordered to stop publication. No reason was given. The monthly is not widely read, and its contents have never been controversial except to the extent that it was "nationalist" in outlook.

In Budapest, the authorities also suspended publication of the sociological series, *Fejtodes Tanulmányok* (Development Studies). Circulation of any publications in the series never exceeded a few thousand and they were read mainly by academics and research students.

What apparently upset the authorities most was

that one of the articles published in the last issue included one by Leon Trotsky. Trotsky, founder of the Red Army and a leading Bolshevik intellectual who led the "Oppositionists" against Stalin, is still taboo in both the Soviet Union and Eastern Europe. "Once the Soviet Embassy in Budapest saw the article, they said enough was enough," says a senior Budapest editor.

Amid these suspensions of journals which would hardly move from the book shelves in the West, a leading member of the opposition, Laszlo Rajk, was sacked from his job in July. Rajk is a trained architect and son of the former interior minister who, in a Stalinist show trial in 1949, was executed in Budapest. "I don't know why I lost my job," says Rajk. "But clearly there's some sort of clampdown on certain independent activities." When asked why two seemingly innocuous publications were banned, a leading historian shrug-

ged his shoulders and noted: "It's a decision from the top. They're uncertain about the future."

THE DECISION to take a tougher line on editors who exercise initiative and on dissidents who are considered too active was made during a recent politburo meeting of the Hungarian Communist Party. The resolution taken at the meeting has remained secret, but party members report that the authorities made two decisions:

- Those academics who write for official, state-controlled journals and newspapers can only do so if they do not write for "independent" magazines or foreign emigre publications.

- Dissidents who persist with their activities will have their ability to travel to the West restricted.

After the politburo meeting, editors of the main magazines and newspapers were supplied with a

blacklist of academics and writers considered to have transgressed.

Why are the authorities taking such a tough line now? In the past Hungary has had a relatively liberal image. It has tolerated the small dissident community which never seriously challenged the authorities. It has been relaxed about controversial articles published in the official press, and it has been generally liberal when it came to issuing passports to members of the opposition.

"The top leadership is worried", a party member said. "There is a jostling for power. The current party leader, Janos Kadar, will not live forever." The party secretary responsible for culture, Janos Berecz, a very ambitious politician, has already criticized some of the publications of the research institutes. "Berecz has close Moscow connections. He wants to appear tough. He also wants to be the next leader."

The party boss in Budapest, Karoly Grosz, also has a reputation for toughness and is just as ambitious. "But he is waiting for his chance," is the conclusion of party members.

An air of uncertainty hangs over the economy as well. "When the economy is going through a bad time," argues a sociologist, "the authorities react by becoming tough."

Living standards in Hungary are falling. With inflation running at an official 9 per cent. The real rate is perhaps 16 per cent because of the huge underground economy, and industrial production has yet again failed to reach its half-yearly target.

"We are tired," says a magazine editor who has in the past faced official criticism. "We don't know what lies ahead. But if this present policy continues, Hungary's liberal image might be really dented. And then we'll all be in for a hard time."

(London Observer Service)

Fidel Castro: Cuba's undisputed strongman

Aside from the Soviet Union, no country has given the U.S. more international problems

George Gedda/Havana

ON THE spur of the moment one evening, Fidel Castro decided he wanted a big, enthusiastic send-off the following morning for his distinguished visitor, Rajiv Gandhi, the prime minister of India.

Rounding up half-a-million people on short notice is no small task, but it took only a snap of Castro's fingers.

By dawn, Havana was a buzz with activity in preparation for Gandhi's mid-morning departure. Mass organizations were alerted and buses normally used to take commuters to their jobs were mobilized. Half-a-million cheering Cubans saw the Indian leader off that day in 1985.

Fidel Castro, 27 years after seizing power and approaching 60, remains very much in control, the undisputed boss in Cuba.

The young guerrilla who came down from the Sierra Maestra Mountains to overthrow dictator Fulgencio Batista has outlasted almost every world leader in power at the time he took control of Cuba.

His beard is flecked with grey, but Castro still appears youthful and vigorous, somewhat slimmer than a few years ago.

He still inspires awe and respect—or fear and loathing—among his countrymen and others who have been touched, for better or worse, by his rule.

On the international stage, Castro is as defiant as he was a generation ago when, an act of political daring, he led a devoutly anti-communist country 145 kilometres from the United States into the Soviet Bloc—and got away with it.

For all the veneration he inspires, there is a surprising degree of informality in the way Cubans relate to Castro. Personal adulation, he insists, holds little appeal for him.

"You will not see a statue of me anywhere, nor a school with my name, nor a street, nor a little town, nor any type of personality cult, because we have not taught our people to believe but to think," he has said.

SIX MONTHS before his forces entered Havana on New Year's Day 1959, ousting Batista, Castro already had begun plotting against his big

neighbour to the north, telling a confidant in a private memo:

"When this war is over, a much wider and bigger war will begin for me, the war that I am going to wage against them (the U.S.). I realize that that is going to be my true destiny."

He has kept his word. Aside from the Soviet Union, no country has given the U.S. more problems over an extended period than has Cuba. Attempts by successive U.S. presidents to get tough with Castro generally have failed and had the effect of consolidating his power.

Politically, Castro has profited from having a "foreign devil" nearby.

Cuba has always been too small a stage for Castro. In the 1960s, he sponsored efforts to export his revolution to Latin America through guerrilla warfare. In the 1970s, he turned his attention to Africa, deploying tens of thousands of his forces in ideologically like-minded countries on the continent.

Now he exhorts Latin American nations to repudiate their \$360 billion debt burden—most of it owed to U.S. creditors.

Few heads of government anywhere have ever left a stamp as indelible as the one Castro has left—and continues to leave—on Cuba.

He nationalized businesses, shut down the independent media and forced a million of his countrymen into exile.

He closed church schools, expelled foreign priests, banned strikes, jailed thousands for political opposition, suppressed free debate, abolished traditional holidays and invented new ones, formed neighbourhood snooping organizations and, through erratic economic policies, created all sorts of shortages.

On the other hand, he educated the illiterate, built schools where none existed before, provided medical care to a degree rarely seen in the Third World, became a hero to previously neglected peasants and exported doctors, teachers and expeditionary forces to distant lands.

He defeated a U.S.-sponsored invasion, survived an American economic embargo and a number of assassination attempts, gleaned billions of dollars in aid from Moscow



Cuban leader Fidel Castro relaxes in this portrait study by Karsh of Ottawa

(Camera Press)

and created one of Latin America's most stable states.

VERY LITTLE about Cuba escapes Castro's attention. When a fire broke out at the Havana Libre Hotel in January, he rushed to the scene, watching the firemen battle the blaze. He got wet.

Castro says he was born on August 13, 1926. (His brother Raoul says Castro was born on that date a year later.)

He spent his first dozen years on a farm in rural Oriente Province. Educated by Jesuits, he married Mirta Diazbalart as a young man and divorced her before the revolution. His son, Fidelito, is head of Cuba's Atomic Energy Commission.

Castro's personal friends and female companions nowadays are regarded by his countrymen as Castro's private concern and no one else's.

Last year, Castro, who has left the Cuban Catholic Church emasculated, talked candidly about his religious views during extensive inter-

views with a leftist Brazilian churchman, Frei Betto.

"Ever since I had the use of reason, the name of Jesus Christ was one of the most familiar in my house and in school during my infancy and adolescence," he told Betto. "I never saw a contradiction between the ideas that sustain me and the ideas of that symbol, that extraordinary figure."

Only lately have questions arisen about his health. Castro insists he is fit but some Western experts are not sure, noting that a lifetime of erratic sleeping and eating habits may be taking their toll. Some feel that Castro's decision last August to stop smoking cigars was a doctor's order.

Castro's legendary oratorical skills remain undiminished. In April, on the occasion of the 25th anniversary of the abortive, U.S.-backed Bay of Pigs invasion, he spoke extemporaneously for three hours, holding his audience in a way that most other heads of government could only envy.

HOW SUCCESSFUL is the revolution that Castro still oversees?

Castro clearly is proud of his accomplishments. "If we dissect the date, with facts, with numbers, nothing that has been done elsewhere in Latin America even remotely approaches what we have done during these years in spite of the blockade and the hostility of the United States," he has said.

U.S. President Ronald Reagan has ridiculed Castro's claims of economic progress, contending that Cubans who have emigrated to the U.S. produce twice as much as Cubans still living on the island combined even though there are 10 times as many Cubans in the latter category.

"The Soviet Union, with all its military might, with its massive subsidy of the Cuban economy, can't make the system produce anything but repression and terror," Reagan has said.

Reagan is one of the few American presidents to have handed the

Cuban leader a genuine setback. That came in October 1983 when the U.S.-led invasion of Grenada ended a Cuban-backed Marxist experiment there.

If Reagan is contemptuous of Castro, the Cuban leader reciprocates that feeling. When Reagan ordered the bombing of Libya in April, Castro compared the action with German bombing raids of European cities during World War II. He said Reagan was as "unscrupulous and opportunistic" as Adolf Hitler.

Castro gets along well with Americans as individuals. He has charmed dozens of congressmen who have called on him in Havana.

But in discussing the possibility of close ties with the United States, a different Castro emerges:

"I am a revolutionary and I shall always be a revolutionary, and I will not change a single one of my principles for a thousand relations with a thousand countries like the United States." (AP)

Soviets open door to science, embarrass U.S.

Peter Pringle/Washington

OVER the last few months, Moscow has taken unusual steps to promote its contacts with independent United States scientists and doctors on matters which until now have been strictly government to government business. U.S. officials have been left embarrassed and frustrated.

After the nuclear accident at Chernobyl, the Soviets rejected official U.S. offers of medical and scientific help in favour of an independent team of doctors led by a private surgeon from California, Robert Gale, who is currently visiting Israel.

Last week, in an even more surprising move, a private group of U.S. scientists, armed with seismometers, headed for the Kazakhstan Desert, where the Soviets carry out most of the underground tests of nuclear weapons. The group will gather the kind of on-site data the Soviets have so far refused to allow the U.S. to collect to verify a comprehensive test ban treaty.

Publicly, Pentagon officials call the enterprise an "absurd-private adventure," but many are frustrated that the independent scientists will have data that can be used to reinforce arguments for a new overall test ban—an arms control measure the Reagan Administration continues to oppose.

What is particularly embarrassing for Washington is the fact that it was the Americans, not the Soviets, who made the first moves. Gale contacted the Soviets through Armand Hammer, the 87-year-old American oil millionaire who has long had unusual access to the Kremlin. The scientists, led by the Natural Resources Defence Council, made their approach through the Soviet Academy of Sciences and the Soviet embassy in Washington.

MANY U.S. scientists are finding the Reagan Administration so hostile to what they consider good ideas for improving U.S.-Soviet relations that they are considering bypassing the normal governmental channels. "If I come up with a good idea, I might not be able to persuade the Reagan Administration to use it, but I might be able to persuade Gorbachev," said Jeremy Stone, director of the Federation of American Scientists, a respected Washington research and lobby group.

Both of the projects between U.S. scientists and the Soviet Union were agreements between Soviet officials and private U.S. citizens. The question now is how to get U.S. government agencies involved.

In the case of Gale, the U.S. Department of Energy, the National Institute of Health, and the National Academy of Sciences are vying for participation in possible follow-up studies of the radiation effects of the Chernobyl accident. But there are no recognized diplomatic channels. For the moment, they have to deal with Gale.

"The Russians seized on Gale as a contact to embarrass the U.S.," said one upset official.

The Soviets are watching the bureaucratic battle with glee. Asked whether Moscow would accept officials from the Department of Energy as part of an American monitoring team at Chernobyl, a Soviet Embassy official shook his head and said that the department not only built nuclear weapons but also actively opposed joining Gorbachev's unilateral moratorium on underground nuclear testing.

The irony of these unusual exchanges is that five and a half years ago, when the Reagan Administration came to power, it was Washington, not Moscow, that started to intensify the propaganda war between the two countries. But those were the days before Gorbachev took over and Reagan, the great communicator, seemed to slip behind.

Americans now have the sense that they are missing out. "Doesn't the President object to sitting out the dance while Mr. Gorbachev waltzes away with his choice of an American partner?" asked *The New York Times*.

(London Observer Service)

The exorcism has worked — China forgets 'Gang of Four'

Graham Earnshaw/Peking

CHAIRMAN Mao's widow and her radical colleagues in the "Gang of Four" will soon complete 10 years in prison, all but forgotten by China and the world.

The fiery Madame Mao, a former actress and one of the most powerful women in China's history, was last seen in public five years ago as she was dragged screaming from the hall in which the Gang of Four show trial was staged.

Now 72 years old, she sits in a comfortable cell complete with private bathroom in the Qincheng Prison to the north of Peking and whistles away her days reading and watching television.

It's a far cry from 1976 when she was in line to succeed her husband, Chairman Mao, as China's supreme ruler. But only a month after Mao's death in early September, she was seized along with her comrades in what amounted to a military coup.

They re-appeared on the world's television screens in 1980-81 during the cathartic trial staged by their arch-enemy and China's present leader Deng Xiaoping to exorcise the spirit of radicalism from the Chinese Communist soul.

The exorcism has largely worked. Radical Maoism is still hanging on in some sections of the Chinese Communist Party, but the political careers of the four leaders saddled with the label Gang of Four are almost certainly over.

MADAME MAO, whose name is Jiang Qing, was sentenced to death along with her chief lieutenant, former vice-premier Zhang Chunqiao, on charges arising from the chaotic Cultural Revolution initiated by Mao in 1966.

Two years later, the death sentences were commuted to life imprisonment.

In the late 1970s and early 1980s, the official Chinese press attacked the Gang of Four virtually every day, blaming them for China's problems past and present and called for remnants of their clique to be rooted out and destroyed.

Now, 10 years after they were toppled from power and five years after their trial, Gang members are seldom referred to in the press.

Western diplomats say the Communist Party is anxious that people should not dwell on the question of who was most to blame for the upheavals and injustices of the Cultural Revolution—the Gang of Four, or Mao himself.

Madame Mao and the political ideas she inherited from her husband are also becoming increasingly irrelevant in China.

The little red book of Mao's thought which she and her colleagues used to wave has been tossed aside and the goals of isolationist purity and a quick transition to true communism has been abandoned.

In their place, Deng has revived

private enterprise, foreign investment and private farming plots. Politics and class struggle no longer overwhelm people's lives and for the foreseeable future at least, "it is glorious to be rich."

ORDINARY Chinese seldom speak of Madame Mao and the others, and the era they represent is one that most people are glad to leave behind.

For younger people, she is probably already nothing more than another "dragon lady" from China's past, along with Empress Wu and the Empress Dowager.

At the height of her power in the late 1960s, Madame Mao tried to modernize and revolutionize one of China's most sophisticated art forms, the Peking opera.

She discarded the old stories, the elaborate costumes and the subtlety of movement and lyric and replaced them with stilted stories on more recent themes, usually involving the overthrow of evil landlords by communist-led peasants.

The operas she sponsored, including *The White-Haired Girl* and *The Red Detachment of Women*, were discarded in their turn in the late 1970s as traditional Peking opera was revived.

The broadcast of one of these operas on the radio recently moved the official *Canton Evening News* to publish a critical article under the sensational headline: "Has comrade Jiang Qing been rehabilitated?"

The answer is no, but the paper said Madame Mao must feel great satisfaction that her favourite operas at least stand a chance of survival.

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By DAVID KRIVINE
The issues and bargaining process involved in the negotiations leading towards a national wage pact, and now nearing their conclusion, are not too different from those of previous years. Today, Yisrael Kessar represents the Histadrut and Dov Lauzman the employers, while Finance Minister Moshe Nissim watches closely from the sidelines. In another era, those spots were filled, respectively, by Yehoram Meshel and "Buma" Shavit, with (at least on one occasion) Yigal Cohen-Orgad on the sidelines. With the advantage of hindsight, these three men offer their perspectives on the current wage talks and offer some solutions for resolving the economy's long-term problems.

Meshel, former Secretary-General of the Histadrut, is not sure that Michael Bruno, the governor of the Bank of Israel, is right in declaring that any wage rise at the present



Yehoram Meshel (Israel Sun)
'We trade unionists can never say we want more wages and the rest doesn't interest us.'

time would wreck Israel's new-found economic stability. Nor is he sure that the governor is wrong. "I am both an objective and a subjective person," he avows in a moment of candor.

"Objectively I see the needs of the economy. We trade unionists can never say we want more wages and the rest doesn't interest us. We depend on the workplace, we don't wish to damage it," he explains. "Subjectively I am on the side of the working man. I understand his point of view and feel for his needs."

So what does Meshel suggest? "I repeat what I suggested when I headed the Histadrut, only nobody took any notice at the time. A factory carries many costs apart from wages. Let us take 10 export firms and break down costs as between labour, capital, management, raw materials, storage, overhead and all the other factors."

Three veterans of labour talks offer views on bargaining and the economy

What to do about wages

He recommends that a similar breakdown of inputs for a number of industrial companies overseas be done and the results compared to see which costs in Israel are out of line. "It seems to me that capital is much more expensive in Israel today [compared with abroad] than labour," says Meshel. These things must be checked. We can't ask the workers to freeze wages while all other kinds of earnings go up."

He does not view the employers' association as an enemy, saying "we have a joint interest in the success and prosperity of Israel's industry." Looking back he considers that the Manufacturers Association have been gentlemanly negotiators.

"Sometimes our bargaining team would agree with them on something, but our colleagues in the Histadrut, when we reported back, would not accept it. The manufacturers never exploited this ambivalence, they never tried to show us up. If we concluded something verbally, they kept their word even if three months or six months elapsed."

Relations with the Treasury were likewise good when the Labour Party was in power as well as under the first Likud finance ministers. "But Yoram Aridor was a populist, he attempted to by-pass the Histadrut. He appealed over our heads straight to the works committees, he tried to undermine our authority."

Wage bargaining concerns employers and labour, the government should stay out of it, in Meshel's opinion. Aridor endeavored to intervene and impose his ideas on both sides. "The employers didn't like it any more than we did. All the minister achieved was to draw the two organizations together."

Israel's economy is on a knife-edge, Meshel contends; one false move and inflation could rear up again. So, should wages be raised? Here, Meshel appears unable to make up his mind. He will not say the national wage level should be raised, nor will he say it should stay frozen, either. He skirts the subject.

He believes that if there is money available the workers should have a share of it. Thus in the public sector he would introduce a productivity drive, extend the use of norms and premiums and facilitate early retirements. The money saved by employing fewer civil servants to do the same work would make it possible to raise their wages.

What about the production sector, should industrial wages be increased?

"The simplest thing," he continues, "is to let the two sides negotiate without external interference. Nissim says he does not want to increase the minimum wage by act of

parliament, the matter should be left to collective bargaining. "Well, if he thinks collective bargaining applies to the minimum wage on which a law exists, it should certainly apply to the fixing of salary scales which have always been negotiated."

Will these negotiations give the workers anything? Meshel believes cheerfully that every process yields something. "The government authorizes the cost-of-living allowance, the Manufacturers Association provides a general wage rise, and the individual business company augments these benefits with a wage rise



'Buma' Shavit (Zoom 77)
'The services sector should be shrinking and the manufacturing sector expanding. That isn't happening.'

of its own—if it has the means to." This, he explains, is why the general wage rise can be so modest; there is a built-in flexibility. Workers' committees in enterprises that can afford to pay more each negotiate its own "company wage supplement."

The government opposes increasing the minimum wage because of the domino effect. Putting up wages for those at the bottom will lead to demands for a corresponding rise in all the grades above, which is inflationary.

On the other hand the present position is intolerable, in Meshel's view. "A man earning the existing minimum wage of NIS 350 a month gets less than an unemployed person on family relief. In other words, a working person can receive for his toil less than a person doing nothing."

Shavit agrees with Meshel on many things. He agrees that Israel

comes first and economics second. "Subsidizing tomatoes in the Jordan Valley is a good investment if it saves us four battalions there," he says.

He agrees with Meshel's disapproval of Aridor as one-time finance minister. "He taught Israel that it is possible to live without working," Shavit agrees that the Histadrut and the Manufacturers Association got on well together. "They never leaked information either, and I worked with Meshel for 12 years."

But he disagrees about wages: "They cannot be raised right now," Shavit declares. Normally if money is available it is distributed, with allowance made for the capacity of different sectors to pay.

"We used to agree with the Histadrut on a wage rise of, say, 4-9 per cent. The metal branch would pay 9 per cent, and food and textiles only 4 per cent because they could not afford more." This was before the parties got round to negotiating those company wage supplements, which exploit the differing abilities to pay higher wages still further.

At the moment industry has nothing to give. It is clamped by the price freeze, imposed under the economic stabilization programme.

"This plan has achieved one of its two purposes," says Shavit, "and not the other. It has reduced inflation, but it has not created a structural change in the economy. The services sector should be shrinking and the manufacturing sector expanding. That isn't happening."

The economic structure has a great deal to do with collective agreements, Shavit says, noting that the trade unions will not let the public sector contract.

Shavit is opposed to a minimum-wage hike for two reasons. First, there is no point in it since no employee even in a small workplace earns such a low figure. "The paper wage is theoretical," Shavit explains. "In practice when he is on the job there are premiums, the 13th month pay, subsidized meals at the canteen, overtime and what not."

Shavit's second reason is linkage, or escalating effect. He is thoroughly sceptical about Meshel's proposal to insulate it from wage scales.

"Even if the unions listen to him, the workers in the plant won't. Once the wage at the bottom is increased, never mind for what reason, all other wage grades are pushed up. If those in the pit get an extra NIS 100, those at the peak will get NIS 500. That is how it goes."

Cohen-Orgad, who was the last finance minister in the Likud government, prior to the national unity administration, says Meshel's proposed cost analysis of foreign and

local companies would not disclose anything not already known.

Everybody clamours about the high cost of capital. It is not high by international standards, he points out, it is simply not subsidized any more. "The Histadrut's industrial holding company, Koor Industries Ltd., borrows in the U.S. at 13 per cent per annum, linked to the dollar. So what does Meshel want?"

Wages are below Western levels, no study is needed to reveal that. The cause is distortions in the economy, which have not been remedied by the tough disinflationary measures introduced last July. Policies have weakened this year. "In the relaxed atmosphere of today lie the seeds of our next economic crisis," Cohen-Orgad warns gravely.

"When I said wages are low by Western standards, I meant net wages. Employers' outlay on salaries is two or two-and-a-half times higher than take-home pay. The balance



Yigal Cohen-Orgad
'In the relaxed atmosphere of today lies the seeds of our next economic crisis.'

goes on taxes and fringe benefits. The employer would be doing better by his workers if he were allowed to channel less of his cash to the Treasury and more to net salaries.

Cutting the Treasury budget and improving wages would, if properly handled, raise productivity. "As long as the budgetary reform is not applied—and I regret to say that nothing has been done to apply it during the present year—any wage rise will worsen our competitive capacity in foreign markets," Cohen-Orgad says.

"In 1984," which happens to be a year in which Cohen-Orgad was still finance minister, he notes that "private consumption went down 7 per cent per capita and the country's exports rose by 15 per cent. This year they have hardly risen at all." The moral is clear, he indicates.

The writer reports on social and economic affairs.

THE TAX BURDEN/Jeff Broide

Special tax rules govern professions

Israeli tax legislation imposes harsh measures on taxpayers in the professions who do not keep proper books of account, or who fail to meet the specific accounting requirements stipulated in the supplementary provisions to the tax ordinance. Even where a taxpayer maintains an accounting system based on double-entry book-keeping, these supplementary provisions may require additional records.

Records for doctors, dentists, psychologists, physiotherapists and veterinarians must include:

• A bound journal with separate pages allocated for each day, showing the following details, which must be recorded in ink daily:

– Dates, receipt numbers, names of patients, and, if house or night visits, amounts received from patients or, if not received, the names only.

Other receipts for services or care – from Kupat Holim, other institutions or medical insurance.

Amounts, dates and details of expenses, and

• A book for the issue of receipts for all amounts received. In addition, dentists are required to maintain personal records for each patient, showing dates of visits, dates and amounts of receipts, and an inventory of fine metals at year-end.

Architects, engineers, lawyers, accountants and various consultants are required to keep a journal of receipts and disbursements, or a cash book, and to issue receipts. In addition, a client register must be maintained unless the client pays immediately. There is no requirement to issue invoices unless the document debiting the client is not retained or payment is not made immediately.

Taxpayers in the liberal professions generally keep their books on a "cash basis" in Israel. Thus, only amounts actually received or paid are reported on for income and value-added tax purposes. This factor affords some flexibility in tax planning toward the end of the tax year. However, none of the inflationary tax benefits are available to taxpayers who keep their books on a cash basis.

The deductibility of expenses for tax purposes was dealt with in the June 19 issue of *The Jerusalem Post*. Here, however, only those expenses commonly encountered in the professions will be discussed. To begin

with, expenses are deductible where incurred wholly and exclusively in the production of income during the tax year.

Expenditure on periodic professional literature, such as journals, circulars, government publications of bills and laws, are deductible. The purchase of books may not be deducted as a current expense, but the taxpayer may deduct an annual depreciation allowance of 15 per cent on books.

Expenditures incurred to maintain professional standards (courses, conferences overseas or local travel) are deductible. In addition, an allowance for depreciation of between 6 and 10 per cent of the cost of machinery, equipment and furniture is deductible.

If the taxpayer runs a clinic or practice from his home, he may deduct a reasonable proportion of "home expenses" which are related to the business. Where, for example, the taxpayer rents a five-room apartment and one of the rooms serves as the clinic or practice, then the tax authorities permit a deduction of 20-25 per cent for various home expenses, such as rent, municipal and property taxes, house committee fees, domestic help and certain maintenance costs.

Expenses regarded as excessive in relation to the income earned, and private expenditure, are not deductible, nor are payments from clients, such as money held by lawyers to cover expenses for court fees.

Expenditure for overseas trips, gifts, telephone, entertainment and car travel are discussed in the April issue of *The Post*.

As already mentioned, taxpayers in the liberal professions generally record their income and expenditure on a cash basis, fees not actually received during the tax year cannot be reported on during that year. Thus, post-dated cheques, or any amount received but held in trust until the fulfilment of certain conditions, do not constitute cash income. Similarly, payment of expenses by post-dated cheques will not constitute expenditure on a cash basis. However, where payment has been made by cheque, which has not been presented for payment at the end of the tax year, it would appear correct to treat such expense as having been paid.

The writer is a Certified Public Accountant (Israel). Questions to Jeff Broide should be addressed to him c/o The Jerusalem Post.

WORLD BUSINESS IN BRIEF

General Electric bid for Plessey barred by London

The General Electric Co.'s hopes of acquiring electronics rival Plessey were dashed yesterday after British authorities ruled against the \$1.8 billion proposed merger.

The Department of Trade and Industry said GEC's bid was rejected by the Monopolies Commission because it was judged to be against the public interest.

GEC, headed by Lord Weinstock, is Britain's largest manufacturing group and Plessey is its main British rival in telecommunications and defence electronics. Plessey opposed the takeover.

U.S. TREASURY SECRETARY James Baker yesterday warned of radical protectionist measures in America to help cut the massive U.S. trade deficit.

However, both Baker and the U.S. ambassador to Bonn, Richard Burt, appeared to play down rumours of a transatlantic conflict in West Germany's economic policies.

"We here in the U.S. are dangerously close to losing the fight against protectionism," Baker said in an interview to be published in the financial weekly *Wirtschaftswoche*. He added: "A Congress will probably react to the high foreign trade deficit with extremely tough protectionist measures."

GERMANY IS PREPARED to act bilaterally and internationally to help Egypt over its economic difficulties, West German Economics Minister Martin Bangemann said Wednesday. He was speaking to reporters after meeting with President Hosni Mubarak in Alexandria. Bangemann, who arrived on Tuesday on a four-day visit reportedly said that the main topic discussed was the steps needed to improve Egypt's economic position, which has been hurt by the drop in oil prices.

Bangemann hinted that Bonn would support Cairo in its bid to win standby credit of \$1 billion from the International Monetary Fund.

COCA-COLA. The soft drink giant, said yesterday it ended an agreement to buy Dr. Pepper Co. from Forstmann Little for \$470 million.

Coke said it did so at the request of Forstmann Little's management, but the move had been expected after a federal judge last week blocked the proposed acquisition, calling it a "stark, unvarnished" attempt to eliminate competition.

During the trial, the court was shown internal Coca-Cola documents, stamped "highly confidential," which said the company's "primary objective should be to



James Baker (AP)
attempt to stop" PepsiCo's proposed acquisition of Seven-Up. The aim behind the bid for Dr. Pepper was to stir up public and government opposition to such overall consolidation in the industry.

ARGENTINA SHOULD STOP payments on its \$50 billion foreign debt if Washington and the European Community persist in subsidizing wheat exports to the Soviet Union, ruling party politicians said yesterday. President Raul Alfonsín Tuesday night reportedly ordered a study of what action to take to defend his country's key agricultural sector.

Grain trade sources said that despite the protests they did not expect Argentina to take any unilateral action. "These subsidies in themselves are not that serious," one grain trader said. "The issue at the moment is more symbolic."

THE DOLLAR closed mixed on world currency markets yesterday, finishing higher in Tokyo but lower in Frankfurt. In London, the U.S. currency seemed set to remain in a narrow trading range.

The dollar finished in Tokyo at 154.65 yen, from Tuesday's close of 154.30 on Opec's plans to temporarily reduce output in an effort to raise oil prices. The central bank also gave support to the currency, entering the forex market directly for the first time in 10 years, instead of through private banks.

In Frankfurt, the dollar traded as low as 2.0745 Deutschmarks, sparked by a large sell order from the Midwest. The currency staged something of a recovery, however, ending at 2.0775 marks, down from 2.0923 Tuesday.

In London, the dollar seemed set to remain in the narrow range of 2.07-2.08 marks.

JAPAN'S ROBOT PRODUCTION in 1985 rose 18.5 per cent from the previous year to a record-high of 48,490 units, the Japan Industrial Robot Association said yesterday.

The increased output, valued at \$1.93 billion, was based on brisk demand both at home and abroad, the association said, without specifying the volume or value of exports.



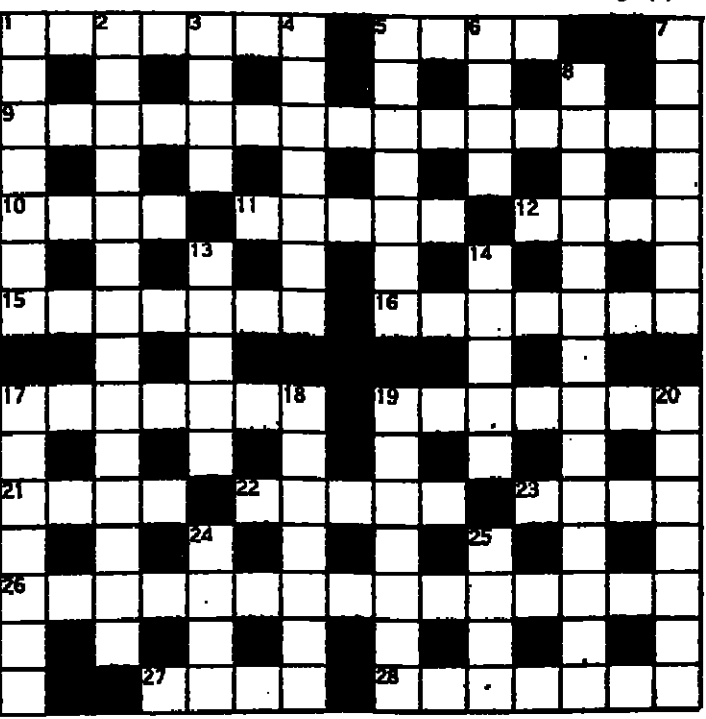
ONE-ON-ONE CROSSWORD

ACROSS

- 1 & 5 Turned out with monotonous regularity (7-4)
- 9 Do we derive any benefit from it? Well, no (8,9)
- 10 Trophies put up in the Civil Service (4)
- 11 Is concerned about dangerous races (5)
- 12 Small child I'd rebuked (4)
- 15 Hot line devised for a polished old fossil (7)
- 16 The most angelic of the old masters? (7)
- 17 FBI agents in a radio or TV part? (7)
- 21 Shows Venice's versatility (7)
- 21 One bound to help in all your endeavours (4)
- 22 Kind of shad for which a couple of pounds is required (5)
- 23 Open ruin (4)
- 26 Sort of radishes served in Paris with rolls and coffee (5,9)
- 27 European river duck with crimson back (4)
- 28 Given medical attention for nothing? (7)

DOWN

- 1 Indian doctor with odd collection of china (7)
- 2 The best of this year's strolling players? (8,6)
- 3 Homer's least important character (4)
- 4 Somehow get the pip about a few grave words (7)
- 5 By causing friction he may be able to ease the tension (7)
- 6 Suitable boat for catching golden yellow mackerel? (4)
- 7 Curious legend about river monster Beowulf put paid to (7)
- 8 Getting an astronomical rise? (2,5,9)
- 13 I'm upset about the age in which we live (5)
- 14 Rent a place on the coast of Dalmatia (5)
- 17 A bit less severe than a curb (7)
- 18 Stop on a ring-road? (4-5)
- 19 It's obvious I've returned to make a damaging impression (7)
- 20 Messily saw? (7)
- 24 Kept very cool (4)
- 25 Hebridean bunch of keys (4)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Clalit, Romema, 523191; Baisam, Salah Eddin, 22215; Shufat, Shufat Road, 510108; Dar Adina, Herod's Gate, 262058.
Tel. Aviv: Lev Ha'ir, 60 Ahad Ha'am, 613862; Kupat Holim Clalit, 7 Amsterdam, 225142.
Netanya: Carmel, Azorim commercial centre, 51774.
Haifa: Hanassi, 33 Sderot Hanassi, 333312.

DUTY HOSPITALS

Jerusalem: Bikur Holim (pediatrics), Sheara Zedek (internal, obstetrics), Hadasah Ein Kerem (surgery, orthopedics, ophthalmology, E.N.T.).
Tel. Aviv: Rotsch (pediatrics), Ichilov (internal, surgery).
Netanya: Laniado

POLICE 100

Dial 100 in most parts of the country. In Tel-Aviv dial 524444, Kiryat Shmona 4444.

FIRE 102

In emergency dial 102. Otherwise, number of your local station is in the front of the phone directory.

FIRST AID 101

In emergencies dial 101 in most parts of the country. In addition:

Ashdod: 41332
Ashkelon: 22333
Bar Yan: 561111
Beerseba: 74767
Carmel: 588555
Dan Region: 781111
Eilat: 7233
Haifa: 512233
Hadera: 22333
Hebron: 36333
Holon: 601133
Jerusalem: 523133
Kiryat Shmona: 44334
Netanya: 923333
Or Akiva: 923111
Rahov: 461333
Rishon LeZion: 942333
Safed: 30333
Tel Aviv: 240111
Tiberias: 90111
Tripoli: 90111

* Mobile Intensive Care Unit (MICU) service in the area, around the clock.

"Erm" - Emotional First Aid, Tel: Jerusalem 227171, Tel Aviv 261111/2, Haifa 672222, Beerseba 418111, Netanya 36916.

Rape Crisis Centre (24 hours), for help call Tel Aviv 324815, Jerusalem - 246554, and Haifa 382811.

Jerusalem Institute for Drug Problems. Tel. 683826, 683902, 14 Bethlehem Rd.

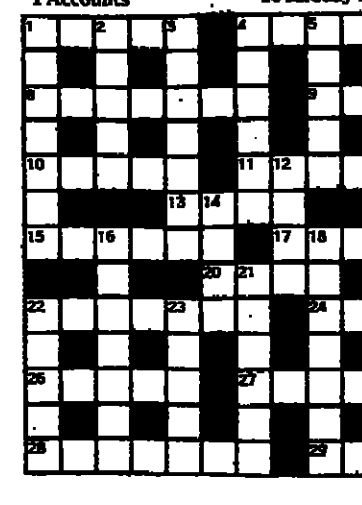
National Poison Control Centre at Ramat Hashikma, phone 04/529205, for emergency calls, 24 hours a day, for information in case of poisoning.
Kupat Holim Information Centre. Tel. 03-433300, 433500 Sunday-Thursday, 8 a.m. to 8 p.m. Friday 8 a.m. to 3 p.m.

FLIGHTS

24-Hours Flight Information Service. Call 03-5712484 (multi-line). Arrivals Only (Taped Message) 03-361111 (20 lines)

QUICK CROSSWORD

1 Accounts



4 Hearts (sl.)
13 Engrave
15 Rose perfume
16 Midday meal

11 Repeat
13 Engrave
15 Rose perfume
16 Midday meal
17 Infuse
18 Country road
22 Erect again
24 Conjecture
26 Temporary peace
27 Forward
28 Set right
29 Lock of hair
DOWN
1 Perplexed
2 Hard-wearing fabric
3 Schoolbag
4 Mode of procedure
5 Pleading-case
6 Draw out
7 Attend
12 Slender
14 Reconnect
16 Loose
18 Disregard
19 Pays attention
21 Modifies
22 Revolving arm
23 Goddess of peace
25 Dodge

Yesterday's Solution

ACROSS: 1. Filly, 4. Seins, 9. Diverse, 10. Arson, 11. Ly, 12. Resolve, 13. Mad, 14. Shoe, 15. Pine, 16. Sit, 20. Uranium, 21. Tcha, 24. Music, 25. Reptile, 26. Rhymes, 27. Ledge. DOWN: 1. Fiddle, 2. Level, 3. Yard, 5. Transport, 6. Insulin, 7. Singer, 8. Beard, 13. Medicine, 15. Hearsay, 17. Manner, 18. Saint, 19. Cheese, 22. Tried, 23. Opel.

QUICK SOLUTION

ACROSS: 1. Filly, 4. Seins, 9. Diverse, 10. Arson, 11. Ly, 12. Resolve, 13. Mad, 14. Shoe, 15. Pine, 16. Sit, 20. Uranium, 21. Tcha, 24. Music, 25. Reptile, 26. Rhymes, 27. Ledge. DOWN: 1. Fiddle, 2. Level, 3. Yard, 5. Transport, 6. Insulin, 7. Singer, 8. Beard, 13. Medicine, 15. Hearsay, 17. Manner, 18. Saint, 19. Cheese, 22. Tried, 23. Opel.

MARKET PLACE
MENACHEM SHALEV

A healthy outlay?

The *haredim* and other religious groups are trying to block the Health Ministry's attempts to carry out heart and liver transplants in Israel.

Some secular doctors and health management experts believe that given the financial state of public health in Israel, it would not be such a bad thing if they succeed.

Last December, 3-year-old Meir Zorea of Migdal Ha'emek, who desperately needed a new liver, succeeded in capturing the hearts and pocketbooks of many.

Following a well-publicized public campaign, \$145,000 was raised to send the boy to Pittsburgh Presbyterian Hospital to undergo the operation.

Of course, not everyone has the natural appeal of a doe-eyed three-year-old, and there is a limit to the number of times that the public will dole out such huge amounts of money.

So Health Minister Mordechai Gur wants liver transplants in Israel. Assuming that he will overcome the opposition of the religious, Gur will reportedly soon give ministry approval to Haifa's Rambam Hospital to start performing the operations.

A committee headed by Dr. Meir Handelsman estimated that a liver transplant in Israel would cost \$34,000 as compared to the price in the U.S. or the \$60,000 charged in Britain.

Or is it? Are the interests of the general public being served, or is this another case of hospital doctors pressing for state-of-the-art medical treatment instead of remedying the more mundane inadequacies of the health system?

If you are one of the hundreds who annually need prostate operations, you will have to spend an agonizing year and a half waiting for your turn. If you need a cataract operation, you will walk around blind for over a year before an operating room will be found to accommodate you, unless you happen to be a millionaire or a deputy prime minister.

In Israel, it is the hospital doctors, always on the lookout for new gadgets and prestigious technologies who set the tone. Preventive medicine and day-to-day treatment are routinely put on the back burner.

Just look at the allocation of the Health Ministry budget. In 1971, clinics and hospitals received 60 percent of the budget; in 1985, clinics were down to 32 percent, hospitals up to 45 percent.

It's a vicious circle. The less preventive medicine, the more patients there will be in the hospitals.

Kupat Holim, which will have to pay for the 15 annual liver transplants, has amassed a deficit of half a billion dollars. Three direct reasons are generally cited for the enormous gap: inefficiency, exorbitant interest rates and a drastic reduction of government support, down from 29 percent of the Kupat Holim budget in 1976 to 5.5 percent in 1986. Above all, however, lies the fact that Kupat Holim has had to pay for all medical treatment which has been deemed fit by the politicians and the country's hospital doctors.

As it is, Israel spends 7 percent of its Gross National Product on health. At first glance, the figure appears modest compared to West Germany's 11 percent, the U.S.'s 10 percent or France's 8.8 percent.

These countries, however, do not have 50 percent of their GNP gobbled up by foreign debts and defence expenditures. Therefore the 14 percent proportion of civilian expenditures Israel spends on medicine ranks it as No. 1 in the world.

The existing burden placed on our economy by our health system is already intolerable. A liver transplant has to take an anti-rejection drug called cyclosporin to the tune of \$200 a week. An average insured member costs Kupat Holim the same sum for the whole year.

It is not that liver transplants are not necessary. It's just that a proper set of priorities is needed much more.

A day after Opec accord
Oil prices stage slight retreat

Oil prices retreated from their Tuesday highs on world markets, but were still ahead of prices before the Organization of Petroleum Exporting Countries agreed to cut output 20 per cent.

In New York, the oil market received a shock from a report late Tuesday, showing a large increase in U.S. oil inventories, causing prices to fall yesterday.

Prices had jumped \$2.50 a barrel in U.S. trading, but profit-taking and the inventory report by the American Petroleum Institute erased all but 25 cents of the gain. The report showed U.S. crude oil stocks rose 14 million barrels last week to 341 million, an increase nearly four times the highest expectations.

West Texas intermediate, the benchmark U.S. oil, peaked at \$16.50 a barrel, and then moved down to \$15 on profit-taking. The inventory figures sent it down to \$14.35 late in the day. It closed on Monday at \$14 a barrel.

"This should bring sellers prices down to earth," said one crude oil trader, adding, "No buyer is going to pay \$15 or more - not right away anyway."

Joblessness rose slightly last month

By CHARLES HOFFMAN
Jerusalem Post Reporter
Unemployment rose slightly in July, mainly due to the jump in the number of applicants for welfare payments, the Employment Service announced yesterday.

The number registered with the service who were unemployed six days or more last month rose from 24,500 to 25,000.

Those applying for welfare payments increased from 5,669 to 7,400. Before a person is eligible for welfare payments from the National Insurance Institute, the employment service must first certify that he is unable to work or has a very low income.

The large increase in welfare applicants seems to be due to the increasing number of workers who earn less than the minimum wage, and are eligible for income supplements.

The ministerial committee set up to devise ways to deal with unemployment on Tuesday approved several recommendations to change the system of unemployment benefits. One measure calls for money from the NII unemployment fund to be used as income supplements for workers doing on-the-job training in industry. The other calls for this same money to be used to subsidize salaries in plants that have suffered economic setbacks and are reorganizing to solve the problems.

White House cuts growth forecast

WASHINGTON (AFP). - The Reagan administration, faced with a sluggish economy, yesterday revised its economic growth forecast downward from 4 per cent to 3.2 per cent for the year.

The administration also warned that the federal budget deficit would hit a record \$236.2 billion in fiscal 1986, \$27.4b. more than initially predicted. The deficit was \$212 in 1985.

Analysts here said the government's new growth still showed optimism, as it would require an expansion of gross national product of 4 per cent over the final six months of the year. Growth was only 1.1 per cent in the second quarter.

But the administration's budget bureau said that in fiscal 1987, beginning November 1, the deficit would fall within the range determined by the Gramm-Rudman law at \$143.9b. because of \$8b. in federal spending cuts. The law stipulates a 1987 deficit of \$144b.

Beryl Sprinkel, President Reagan's chief economic adviser, said the budget prediction for next year was "realistic," adding that "we do our level-best to do an honest evaluation."

The market in London mirrored the New York activity. After strong gains on Tuesday, North Sea Brent crude, Britain's leading export petroleum, fell to \$13 a barrel for September delivery. It was down from Tuesday's \$14.25 close. In Tokyo, prices for Dubai crude - the market leader for importers east of the Suez Canal - fell slightly under the five-month high of \$12.70 a barrel recorded on Tuesday.

Meanwhile, in Geneva, Opec Chairman Rilwanu Lukman of Nigeria said he would be pleased if crude oil prices were between \$15 and \$18 per barrel at the end of the two-month period of Opec production cuts agreed in Geneva.

Lukman said prices for some crudes had soared from \$8 to \$14 a barrel since Friday, as it emerged Opec might be able to achieve output cutbacks. The cartel voted Tuesday to slash crude output from 20.3 million barrels a day to 16 million. He declined to say what long-term prices Opec would like.

Lukman had some reason for optimism. In the wake of the accord, several key non-Opec producers expressed an interest in helping to support higher petroleum prices with cuts of their own. Mexico

announced Tuesday that it would cut production by about 10 per cent, to about 1.35 million barrels daily.

Malaysia also lent support to the cartel, offering to reduce its production by an unspecified amount, as did Oman, Egypt and Angola. Opec sources said the five non-member countries had pledged cuts totalling 500,000 to 700,000 barrels a day. Nevertheless, industry analysts were split on the long-term effect of the Opec agreement.

"What we have here is an eight-week agreement," said Fred Leuffer of the New York financial services firm Charles Maxwell. "When prices start rising, Opec members start cheating [on production]."

Larry Goldstein, executive vice president of Pira, a New York petroleum research foundation, said the key to the agreement was Iran's willingness to curb its output. "Opec still has not solved any fundamental problems, but there is a sense of seriousness about the agreement," he said.

"This accord is very real because it's based on mutual self-interest," said Sanford Margoshes of Shearson Lehman Brothers. "Out of it will come a period of stability."



Conductor Zubin Mehta (right) hands artist Naftali Bezem NIS 1 for a copy of one of the artist's paintings printed on plastic. Plastic shopping bags with reproductions of the painting will be available at the same price at Super-Sol supermarkets, with the proceeds going to the Philharmonic Orchestra Fund.

Fibi net up 310% in half

Jerusalem Post Staff
A big reduction in tax payments helped Fibi Holding Co., parent of First International Bank, to post a 310 per cent jump in net profit for the half to June.

Unaudited figures released by the bank yesterday showed net profit at NIS 6.8 million, up from NIS 1.7m. in the first half of 1985. The net return on its own funds came to 11.48 per cent on an annual basis. All figures were adjusted to June 1986 shekel rates.

Profit before taxes also increased, 11.95 per cent to NIS 30.4m. from NIS 27.1m. a year earlier. Profit per share was 382.97 per cent, compared with 93.4 per cent last year.

The total balance sheet stood at NIS 3.558m. at the end of the half,

compared with NIS 3.608m. a year earlier. The bank attributed the "down run" to the fact that a considerable part of its "balance sheet" is in foreign currency and adjusted to the cost-of-living index.

In the 12 months to June 30, the shekel had been devalued 18.8 per cent against the dollar, while the CPI rose 53.9 per cent.

Among other factors contributing to earnings in the half was Fibi's sale of shares in Elite Ltd., which brought it a profit of NIS 800,000.

Fibi holds a 52 per cent stake in First International, as well as shares in Sahar Insurance Ltd. An increase in the market value of the insurer's shares added NIS 800,000 to Fibi's earnings in the half.

Public-sector wage pact is likely soon

By ROY ISACOWITZ
Post Labour Reporter

TEL AVIV. - Chances are good that an agreement on public sector wages will be signed early next week, trade union sources said last night. Significant progress was reported at the conclusion of a marathon nine-hour negotiating session between Histadrut and Treasury representatives yesterday.

The sides have agreed to grade promotions for all workers in grades 1-10 in the professional wage scale and up to grade 20 in the clerks' wage scale, the sources said.

That means that the bulk of the country's 400,000 public-sector workers will receive a grade promotion within the next year.

It has not yet been agreed whether employees in grades 10-12 in the professional scale and grades 21-23 in the clerks' scale, mainly department heads and their deputies, will be eligible for the grade rises, the sources said. The Histadrut is demanding that the rises be awarded to all employees; the Treasury has balked at including the top grades.

Nor has it been agreed when the promotions would be implemented. The last widespread grade rise took place last January. The Histadrut is demanding that the new grade rise take effect on the first anniversary of the rise, which means next January for many of the workers. The Treasury remains adamant that the rises be staggered over the whole of the coming year, according to the sources.

The promotions would include pensioners as well as workers.

The grade promotions would take the place of wage increases. If the agreement is signed next week, it would refer to only the wage component of the framework agreement. Joint teams would continue to negotiate the other clauses of the agreement, such as those dealing with a shortened work week and pensions.

Yesterday's session did not deal with the proposed economic package deal to replace the current economic programme. But Histadrut sources said the proposal was under serious consideration and would come up for discussion once the wage agreements had been signed.

Negotiations for a private-sector wage agreement are continuing, with the Histadrut's demand for a NIS 450 minimum wage still the major stumbling block. The two sides have not yet decided whether private sector workers will receive a lump sum wage bonus or an increase as a percentage of their wage.

Hapoalim offering interest-free loans

INTEREST FREE LOANS will be offered by Bank Hapoalim to fund new industrial plants and expand existing ones in a new programme called the "Fund for Growth."

Launched recently by the Histadrut, the loans will be available for seven years and linked to the cost-of-living index. Repayment begins after two years. Hapoalim said it would assume a central role in the programme and forgo commission charges for some of its services in connection with the loans.

Tel Aviv Stock Exchange

STATISTICS MARKET

Indices:			
General Share Index	113.99	+0.24%	
Non-Bank Index	137.60	+0.88%	
Arrangement	104.44	-0.10%	
Insurance	181.33	-0.96%	
Commerce, Services	161.80	+2.81%	
Real Estate	170.52	+1.18%	
Fully-linked	128.37	+0.65%	
Textiles	152.20	+1.02%	
Metals	120.89	+1.46%	
Electronics	91.78	+0.62%	
Chemicals	132.84	+1.17%	
Industrial Invest.	115.49	+0.40%	
Investment Cos.	137.49	+0.79%	
General Bond Index	110.02	-0.20%	
Index-linked Bonds	111.07	-0.28%	
Fully-linked	112.76	-0.09%	
Partially-linked	110.02	-0.42%	
Dollar-linked Bonds	86.98	-0.03%	
Short-term 0-2 yrs	108.83	-0.13%	
Medium-term 2-5 yrs	109.26	-0.33%	
Long-term 5+ yrs	105.41	-0.05%	

SELECTED PRICE QUOTATIONS

Name	Price	Volume	%	Change
Commercial Banks				
(not part of "arrangement")				
Maritime 1	1020	10	-2.9	
General non-arr.	2640	10		
First Int'l	3690	768		
FIBI	not trading			
Commercial Banks				
(part of "arrangement")				
IDB	79070	303	+0.0	
Union 0.1	85780	102		
Discount	92800	55	-1.1	
Mizrahi	92800	330	+0.3	
Hapoalim r.	53760	400	-0.1	
General A	138100	16	+0.8	
Leumi 0.1	36240	904	-0.0	
Fin. Trade	45600	11	-1.4	
Mortgage Banks				
Laumi Mort. r.	5020	210	+0.4	
Dev. Mort.	1530	300	+2.3	
Mishkan r.	2239	440	-0.0	
Tafelhot r.	13200	38		
Menav r.	5000	120		
Financial Institutions				
Agri-C	no trading			
Ind. Dev. DD	no trading			
Clal Leasing 0.1	13800	109	+1.5	
Insurance				
Ararat 0.1 r.	864	445	+1.4	
Hasehah r.	481	850		
Phoenix 0.1	709	970		
Hamelehar	8360			
Menahem 1	7900	9	+1.8	
Pecher Steel	4222	113	+5.0	
Zahor 1	9530	2	-0.3	
Trade & Services				
Mair Exr.	4400	4	+0.5	
Superpol 2	5940	1180	+3.1	
Delex	3095	3095	+3.5	
Lightstar	13213	b.o.2	+8.0	
Cold Storage	2200	482	+0.0	
Dan Hotels	3540	93	+9.3	
Yarden Hotel	3161	50		
Hilton 1	13850			
Team 1	1750	200	+1.7	
Real Estate, Building and Agriculture				
Azorim	608	8307		
Eilon	431	5791	+0.2	
Africa Isr. 0.1	33390	98	+0.8	
Danlmer	4072	387	+0.0	
Prop. & Bldg.	2580	224	+2.9	
Bezele 0.1	4449	625	+2.3	
ILDC r.	2700	508	-1.8	
Raseco r.	9895	71		
Mehadrin	7010	52	+1.9	
Haderim	1125	2019		
Industrials				
Dubek b.	3400	717	-0.5	
Pri-Ze 1	1716	402	+0.2	
Sumifrost	7770	109		
Elita	13350	123	-2.3	
Adgar	840	1524	-0.6	
Argaman r.	12420	81	+0.2	
Delta G 1	4220	706	+2.8	
Maquetta 1	24000	30	-5.5	
Eagle 1	11400	15	-3.0	
Polgar	3130	580		
Schoeller	12510			
Rogovin	3610	682		
Ordan 0.1 r.	8580	68	-1.2	
Is. Can Co. 1	1298	3821	+0.0	
Zion Cables	2585	442	+5.7	
Pecher Steel	7520	224	+2.9	
Elbit	376500	16	+0.3	
Investment Companies				
IDB Dev. r.	3600	1100	+1.7	
Elern	2740	1767		
AEK 1	not trading			
Galelet	1288			
Israel Corp. 1	8251	1026	+3.5	
Wolfsol 1 r.	114000		+1.3	
Hapoalim Inv.	5300	216		
Leumi Invest.	not trading			
Discount Invest.	2285	3073		
Mizrahi Invest.	15557	10	+1.3	
Clal 10	792	2988		
Lendeco 0.1	8558	64		
Pame 0.1	9100	124	+0.8	
Oil Exploration				
Paz Oil Expl.	12700	72	+0.8	
J.O.E.L.	1460	609	+1.4	

Abbreviations:
a.o. sellers only
b.o. buyers only
b. bearer
r. registered

FINANCIAL DATA:
ISRAEL, EUROPE, U.S.

ISRAEL MONEY MARKETS

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Tapes	Pakam 7-Day	Pakam 30-Day
LEUMI	5.8	7-16.5%	8-16.0%	8-18.5%
HAPOLIM	7.7	8-14%	8-14%	8-16.50%
DISCOUNT	30.7	8-15.50%	8-16%	10-16%
MIZRAHI	8.5	8-16%	8-15%	6-17%
FIRST INT'L	23.7	8-15%	7-17%	6-17%

Rates vary according to size of deposit.
(Tapes: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAM — FOREIGN CURRENCY DEPOSIT RATES
(August 6)

	3-MONTHS	6-MONTHS	12-MONTHS
USD	5.875	5.875	5.875
STG	9.000	9.000	9.000
DMK	3.875	4.000	4.125
SFR	4.000	4.000	4.000
YEN	3.250	3.125	3.125

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES (August 6)

	CHEQUES AND TRANSFERS	BANKNOTES	Rep. Rates
	Buy	Sell	
Basket of currencies	1	1.4820	1.5010
U.S.A. Dollar	1	1.4818	1.5002
U.K. Sterling	1	2.1983	2.2255
Deutsch Mark	1	0.7121	0.7208
French Franc	1	0.2182	0.2219
Dutch Guilder	1	0.6308	0.6387
Swiss Franc	1	0.8823	0.8932
Swedish Krona	1	0.2131	0.2157
Norwegian Krone	1	0.2007	0.2034
Danish Krone	1	0.1888	0.1923
Finnish Mark	1	0.2880	0.3017
Canad. Dollar	1	1.0734	1.0857

THE JERUSALEM POST

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Back to the beginning

ONE THING about the Shin Bet affair has been clear all along: there is no escape from an inquiry of one kind or another into the affair. But now the High Court of Justice has thrown the full weight of its authority behind that proposition. The only reason the court did not itself order a probe, as it had been requested to do by a number of petitioners, was that it was satisfied by Attorney-General Yosef Harish that an order for a police probe had already been given.

Paradoxically, however, the court, by validating the "collective amnesty" - Justice Aharon Barak's phrase - granted by President Chaim Herzog to the four leading Shin Bet officials, including the service's director, Avraham Shalom, may have placed a question mark over the present investigation.

Any prediction in the matter is premature at this time. Since the court was split 2 to 1 in deciding the matter of the pardons, a re-hearing before a larger panel may be possible, and yesterday's ruling may yet be reversed. Assuming it will not be, it would seem inconceivable that the four top Shin Bet men should go scot free while their subordinates, who carried out their illegal orders, take the rap. But if they, too, are eventually pardoned by the president - as in fairness they arguably ought to be - there will be no Shin Bet officials to prosecute.

If they are indeed all pardoned, so that they are no longer in the category of suspects, the police could require them all to testify. But since the purpose of the police is not just to ferret out the truth but to gather evidence of criminal behaviour, the taking of testimony would then be pointless.

Except, that is, in regard to the political echelon - meaning Vice Premier Yitzhak Shamir, who was premier and therefore the civilian boss of the Shin Bet at the time of the killing of the two terrorist bus-hijackers and the cover-up that followed it. In his application to the president for pardon the Shin Bet director, Avraham Shalom, claimed that the offences to which he, in effect, admitted, had been authorized and allowed by his superiors. The reference was plainly to Mr. Shamir.

That Mr. Shamir alone should be the subject of an investigation is, however, no less absurd than that he should be spared any investigation at all.

The vice premier might, of course, in theory himself seek a presidential pardon for whatever misdeeds he might have committed, but he could only do so while resigning his office. Since he is not of a mind to take so drastic a step, the only way out for him, and for the government, would be to go back to the proposal made months ago by the then attorney-general, Yitzhak Zamir, and re-endorsed after some initial hesitation by his successor: a judicial commission of inquiry.

For an inquiry there must be. On this point the High Court stood as united as it was divided, even acerbically so, on the issue of the pardons.

The opinions of President Meir Shamgar and Justice Miriam Ben-Porat upholding Mr. Herzog's action are now the law of the land. But the dissenting view of Justice Aharon Barak - that a person cannot be pardoned when he has not even been officially suspected of having perpetrated an offence - is too cogently argued to be fled away as just another brilliant exercise in jurisprudence.

Underlying the disagreement between President Shamgar (and Justice Ben-Porat) and Justice Barak in the matter of the pardons is a fundamental dispute about the president's rightful constitutional powers. This is the sort of dispute that is best settled not by a bigger panel of High Court judges but by the country's legislature, as both President Shamgar and Justice Barak suggest in their opinions.

Unexpectedly as it may have arisen, the issue deserves to be placed without delay on the Knesset's agenda, with a view not to re-interpretation of the law but to fresh lawmaking.

Kahane has last laugh

ON THE NEXT to the last day before it rose for the summer recess this week, the Knesset passed a bill for the promotion of racism. Technically an amendment to the Penal Code, it now goes by the name of the 'Anti-Racism Law. Parliament laboured for nearly two years on this piece of legislation. But the mountain of exertion led Tuesday to a dreadful legal miscarriage.

The bill was originally aimed at the country's chief apostle of racism, MK Meir Kahane. How effective it became during the long process of its emasculation in the Law Committee may be gauged from the fact that in the final voting it received the Kach leader's sardonic backing.

True, the new law does ostensibly proscribe publication of incitement to racism. Not anything beyond incitement: efforts in committee to expand its ambit so that it would include the practice of racism, came to naught. But even the ban on incitement is rendered virtually worthless by the exclusion from its scope of quotations from any and all religious writings and prayer books.

The new, and final, version of the bill was designed to meet the objections of the religious parties, and of the rabbinate, that the exclusivity of Jewish religion must not be made synonymous with racism. The objections were legitimate, and had the revisionists been confined to the protection of religious worship, no offence could have been taken by the proponents of the bill.

But they were not, because that was not in fact the purpose. The true purpose was to have any religious text declared not racist, on the ground that it is not racist but that it is religious. The NRP's Avner Shaki let the cat out of the bag when he openly insisted on immunity from the application of the anti-racism law for the kind of "Jewish information page" circulated last March by Rabbi Shmuel Derlich, the army chaplain in Judea and Samaria, among the troops in the area.

That infamous pastoral letter came out for genocide of Israel's enemies - the Germans were named, the Arabs implied - since they represented a latter-day incarnation of Amalek, which the Children of Israel were bidden in the Bible to wipe off the face of the earth.

Until yesterday morning the legal status of such incitement to racist mass-murder was somewhat unclear. A whitewash, like that performed on Rabbi Derlich by the army's judge advocate general, would have required a sly misreading of the text. Now that is unnecessary. All that the country's Kahanists need to do is what Rabbi Meir Kahane has been doing all along: pluck, even if out of context, a scriptural figleaf - and not only cover their racist shame but stay within the law.

If the Knesset had actually intended to promote racism by seeming to ban incitement to it, it could not have done better. For what it has legislated is the grant of a kashrut certificate to all racists who put a religious label on their wares.

Some leaders of the Alignment are comforting themselves with the thought that, while the new law is not everything it was cracked up to be, it is better than nothing and could still be amended. They are wrong: the "anti-racism law" is worse than nothing. Especially when, grafted upon it as its price to the Alignment, comes the Likud's own pet and pernicious law banning all unauthorized contacts with "terrorist" - meaning PLO - functionaries, regardless of intention.

Labour takes a look at Palestinian state

Susan Hattis Rolef

THE ISSUE of the right to national self-determination of the Palestinian people is due to come up today for debate at the Labour Party Central Committee.

Most of those who favour the party's recognition of this right will argue that they have finally reached the conclusion that without such recognition any peace talks with Jordan and/or the Palestinians will be non-starters. Most of those who oppose such recognition will argue that such a move would be suicidal for Labour as far as Israeli public opinion is concerned.

One hopes that the latter will not be the motive for rejecting (if it is rejected) the change in the party platform - it is high time the Labour Party stopped blindly following Israeli public opinion and started forming it. If the party decides to reject the change, it should be for better reasons. But should it be rejected in the first place?

At present four Israeli parties recognize in their platforms the Palestinian right to self-determination - Hadash (Communist), the Progressive List for Peace, Mapam and the Civil Rights Movement. The first two also demand the establishment of a Palestinian state in the West Bank and Gaza Strip - the latter pair are vague on how the Palestinians ought to determine themselves.

Even more generally, Shimon Peres declared in the Knesset, while President Carter was in Israel on the eve of the Egyptian-Israeli Peace Treaty, that the Labour Party recognizes the "legitimate rights" of the Palestinians - hardly a revolutionary statement, since this very same formula appears in the Camp David Accords. During the Labour Party's fourth conference last April Peres

announced that "the Palestinians are a people."

It is doubtful whether there are many people left in the Labour Party who, like Golda Meir in her day, do not recognize the Palestinians as a nation - and it doesn't really matter whether one hundred years ago such a nation existed or whether it was Zionism which created it.

However, there are many who fear that if Israel should recognize the right of this nation to self-determination this would inevitably mean acceptance of a Palestinian mini-state in the West Bank and Gaza Strip.

"After all," they say, "it is the Palestinians who are to determine themselves and they want their own state." Labour objects to the "third state" because it cannot solve the Palestinian refugee problem, because it would be too small to be viable and because it would inevitably be irrelevant by nature. In addition Labour argues that no nation is entitled to have two states, and the Palestinians are the majority in Jordan. Thus, Labour propagates the idea of the Jordanian-Palestinian state as the only acceptable solution. Could "Palestinian national self-determination" be realized in that form?

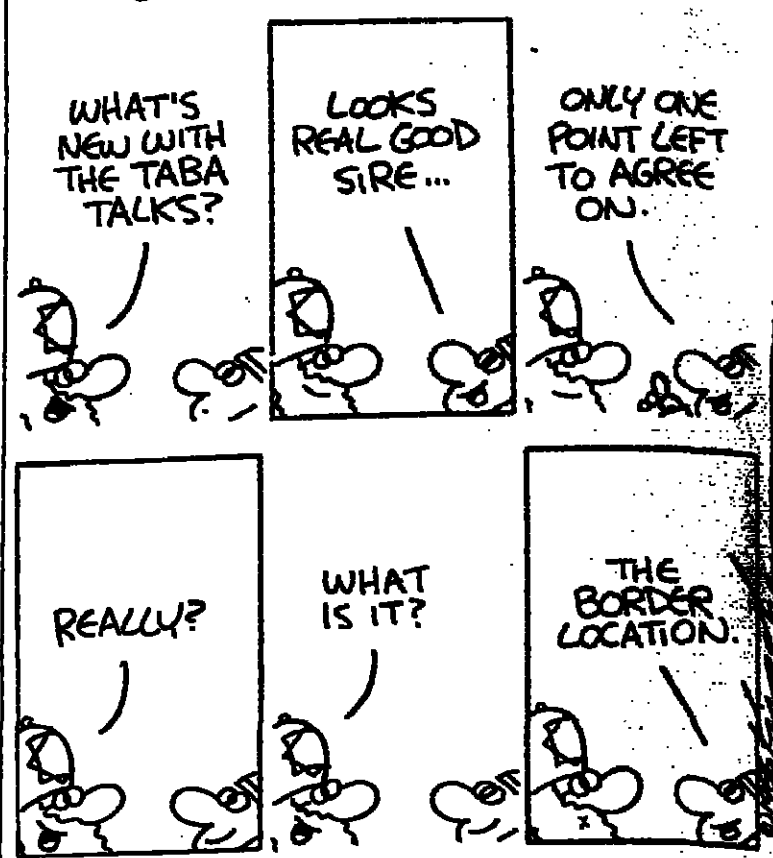
IN FACT, national self-determination does not necessarily mean an additional state. In 1970 a 31-member special committee appointed in December 1962 by the UN General Assembly produced a "declaration of principles of international law concerning friendly relations and cooperation among states

in accordance with the Charter of the United Nations." This declaration stated that "the establishment of a sovereign state, the free association or integration with an independent state or the emergence into any other political status freely determined by a people constitute modes of implementing the right of self-determination of peoples." Furthermore, Israel can always argue that the Palestinians can "determine themselves" as long as this does not threaten Israel's existence as a sovereign state, generally recognized by the international community.

Under the rules of international law Israel has an absolute right to defend itself and ensure its survival, and this right is at least equal, and perhaps superior to the Palestinian right to self-determination in the West Bank and Gaza Strip. Since Israel is in control of the territory where the Palestinians want to determine themselves, it can condition its relinquishment of this control (or control over part of the said territory) under terms which ensure its legitimate security concerns.

Of course, one may argue that by recognizing the Palestinian right to self-determination we would be undermining the "Jordanian option." I think this argument is nothing but semantics, because the Jordanian option means returning territories to King Hussein and then letting the Palestinians (who will be an overwhelming majority in the Jordanian-Palestinian state) and the Jordanians work out what sort of state they want. That would conform to the UN definition of self-determination but Israel's recognition of the Palestinian right to self-determination should not make the slightest difference to King Hussein

Dry Bones



who has himself formally recognized this right.

The central question is whether such a thing as a "Jordanian option" really exists, and whether King Hussein actually wants the West Bank and Gaza Strip. He is as aware as we are of the demographic realities and the hostility of many of the inhabitants of these territories towards him. However, if he were to believe that Israel might agree to the Palestinians establishing their own state west of the River Jordan, he would undoubtedly prefer to have it associated with Jordan. So perhaps Israel's recognition of the Palestinian right to self-determination is a condition to the Jordanian option, not an obstacle.

A more knotty question is whether official recognition of the

Palestinian right to self-determination implies automatic recognition of the PLO as the only representative of the Palestinian people entitled to discuss the realization of this right. I don't believe so, though perhaps the issue which really ought to be debated on Thursday is Israel's attitude towards the PLO.

To return to Palestinian self-determination, it could be argued that when we accepted the UN partition plan in 1947 we *inter alia* recognized the right of the Palestinian Arabs to establish a state of their own. If that was not recognition of the Palestinian right to self-determination, I don't know what is.

Susan Hattis Rolef is a writer on Labour Party affairs.

NRP bright side

Bernard Lerer

principles. At the convention, too, every step of the electoral process was conducted by secret ballot, including the choice of a steering committee, the 100-member party executive (Va'ad Hapoel) and a general secretary. The Herut Convention was unable to complete even the first of these steps, while the Labour Party relied heavily on the behind-the-scenes "selection committee" presided over by the prime minister himself.

By an overwhelming majority, the NRP convention delegates constituted themselves as the central committee of the party. In achieving this demand, the convention ratified an otherwise revolutionary new constitution. This terse document, if adhered to, virtually mandates the continual rehabilitation of the party. Elected officials and cabinet ministers will be limited to two terms by a draconian 60 per cent majority clause which ensures that those obtaining this degree of support are indeed worthy of re-election.

Most significant of all is the Committee for Reorganization, which is to undertake an evaluation of party organization and assets and recommend an equitable redistribution of control over them. The drastic im-

plications of this committee for the present factional hegemony over the party's economic base are immediately obvious.

MANY OTHER positive aspects of the convention merit consideration. A sympathetic observer could hardly avoid being struck by the cross-section of the National Religious population which the delegates represented. Unofficial estimates put the number of Sephardi delegates at 60-65 per cent. Four of the six leading candidates for the posts of general political and trade union secretary were of Sephardi origin. These proportions reflect the potential for a return to the NRP of those Sephardi votes lost to Shas, Tami and the Likud in recent Knesset elections.

The most serious crisis of the convention was the deadlock over elections for the political and trade union secretaries. Viewed cynically, the postponement of these elections to the September 4 session might be interpreted as a last-gasp triumph of factionalism - the once prominent but now tattered Lamifne faction

escaping a coup de grace at the hands of the Young Guard, Matzav and Shaki factions ganged up against them. The events could, however, represent a potentially mortal blow against rather than for factionalism.

The imminent political demise of Lamifne "strongman" Raphael Ben-Natan was indeed delayed, but is unlikely to be avoided. An alternative candidate put up in his place for the post of political secretary might well triumph when the votes are finally cast. An era will, however, have ended and the political clout of the elected convention delegates will have been firmly entrenched.

The prospect of the perennial Dr. Burg making yet another ministerial comeback was also severely dimmed by the eclipse of his Lamifne faction in the general secretary race and its aftermath.

WILL NEWLY pre-eminent factions take over where Lamifne leaves off? The Young Guard - Matzav - Shaki marriage of convenience raises concerns in this regard. Much depends on whether the newly-adopted constitution is adhered to and whether the commit-

tee for reorganization is as effective as its mandate demands. Personal or ideological groupings are an inevitable feature in any party. Provided that they are denied the organizational backing which perpetuated the previous factions and are limited by constitutional barriers, the outlook for the future could be optimistic.

This delegate and the voters who sent him to the convention certainly do not view its forthcoming second session with the "yawn" editorialized in *The Jerusalem Post*. The rehabilitation of a party is a unique undertaking and can hardly be accomplished painlessly. The wheels of democratic change have been set in motion, and the active involvement of thousands of newly-recruited members could conceivably double the NRP's strength at the next general election.

Central ideological issues remain to be addressed, however, and numerous pitfalls must be avoided in the leadership contests scheduled for the second convention session. There is little doubt that if the convention does not maintain its momentum and succumbs to the dangers at hand, its public will exact the price when they next cast their ballots.

The writer, a practising psychiatrist, represented Gush Etzion at the NRP Convention.

READERS' LETTERS

UNFORTUNATE STATEMENT OF A VERY HAPPY WOMAN

To the Editor of *The Jerusalem Post* Sir, - In her interview of July 25, the outstanding and respected Israeli educator, Professor Alice Shalvi, founder and director of the Shalvi Girls School, considered a fountain of tolerance and Judaic spirit in the best traditions of western humanism, states the following:

"As far as interpersonal relations are concerned, they took a turn for the worse I remember, in the early 50's, when the Moroccan immigration began. Until that point, there wasn't any violence. But the North Africans really pulled knives."

It would be interesting to know the source of Professor Shalvi's blanket assessment of hundreds of thousands of individuals: rabbis, farmers, craftsmen, tradesmen, in fact, a whole self-contained society. To this, she provides the following answer:

"Of course, I must confess that at that time I had almost no contact with people from the *Edot Hamizrach*, I never even took a bus, so this wasn't a phenomenon I personally encountered."

These things were not said in the chaos and confusion of the 50's but now, casually, in 1986. How long can we continue in fear and terror of the

unknown? Isn't there a parallel situation here in the current standard Israeli perception of the Arabs and anything that is not "western"?

We are fed up with such vulgar and ultimately, in light of the recent events in Morocco, absurd and unfounded stereotypes. We thought naively, that after three years of concentrated activities, we had managed to shatter at least some of the myths poisoning our society and its "interpersonal relations." Yet, lo and behold, we see that the snake is still in the garden. And if we get such views from an enlightened, educated, respected and renowned academic figure, then what can we expect from others more vulnerable, others who even ride in buses...

We would expect someone, with the responsibilities of an educator, to be able to find less simplistic reasons than unmoded stereotypes and racial prejudices of the most primitive type to explain what are deep social problems, problems that did not exist in any form in the country of origin, but which are purely an "Israeli product."

AMIEL ALCALAY
SHLOMO ELBAZ
The East for Peace Movement
Jerusalem.

A JEW IN KILTS

To the Editor of *The Jerusalem Post* Sir, - I refer to your news item of July 27, "Cameras peek under Scots noble's kilt," brought back old memories.

In May 1940, with the end of the phoney war and the increase in volunteering, many of us in Cape Town, South Africa, and in the surrounding districts, serving in various peace time units, asked for transfer to the Cape Town Highlanders (affiliated to the Gordon Highlanders in Britain). We had heard that the Highlanders would be sent up north in the near future, after basic training.

Thus I too found myself in this regiment. We were issued with kilts and there was a strict order that nothing was to be worn under the kilt. At that time, King George VI was on the throne and, as far as I

remember, word had it that when a queen was on the throne, suitable clothing must be worn under the kilt. Maybe this only applied to the Gordon Highlanders and that the noble Scot could be right.

We suffered a greater indignity than walking over a mirror to show our adherence to the regulations: when we went out to the shooting range for rifle practice, our regiment sergeant major, using his peacemaker, used to lift our kilts while we lay prone on our stomachs aiming at the target!

Kilt wearers had other problems, such as jumping over the tailgate of troop carriers and slipping on the smooth pavements of the larger cities whilst on week-end pass.

ISRAEL TRAU
Zichron Ya'acov.

COMMUNITY SCHOOLS

To the Editor of *The Jerusalem Post* Sir, - I was very pleased to read of the establishment of 11 community schools in Tel Aviv, as reported in your issue of July 16. As chairperson of the Parents' Committee of the Tali School of the Sharon, located in Hod Hasharon, I congratulate the parents and education officials involved in the Tel Aviv project.

Our five-year old school, although not a community school in the U.S. sense, has also developed from its inception through cooperative efforts in planning and implementation by parents, community residents and professional staff. Parents were even involved in the selection of the principal.

Just as the Tel Aviv schools do, we have goals and principles that guide the entire operation of our school. They include an open experiential approach to Jewish tradition and studies, a commitment to tolerance and democratic behaviour, and the maintenance of a sense of community within the school by virtue of significant parent involvement and family activities.

We are encouraged to know that other parents, educators and municipalities are investing resources to provide new educational options within our society. Good luck to them.

EMILY LEVY-SHACHAT
Chairperson,
Tali School of the Sharon Region
Kfar Sava.

PRESIDENT GARCIA

To the Editor of *The Jerusalem Post* Sir, - I refer to Roy Isaacowitz's interview with me which appeared on July 11 and wish to point out that there was a misunderstanding concerning one of my statements.

I said: "Some people claim that President Garcia of Peru is a demagogue and a populist, but I don't think so." This sentence was omitted and I would like to correct the impression thus created.

UZI BARAM,
Secretary-General
Labour Party
Tel Aviv.

THE HERZL MUSEUM

To the Editor of *The Jerusalem Post* Sir, - It is sad and potentially a great loss to the Jewish people that the Stern family home in Jerusalem and its Herzl memories and memorabilia face the bulldozer in the name of modernity. Herzl sojourned at Mamlila Road 18 and the fourth generation Stern family members are there preserving that segment of our story as a present teaching opportunity. Surely, no shopping mall or new dwellings on this Ottoman period street will ever equal

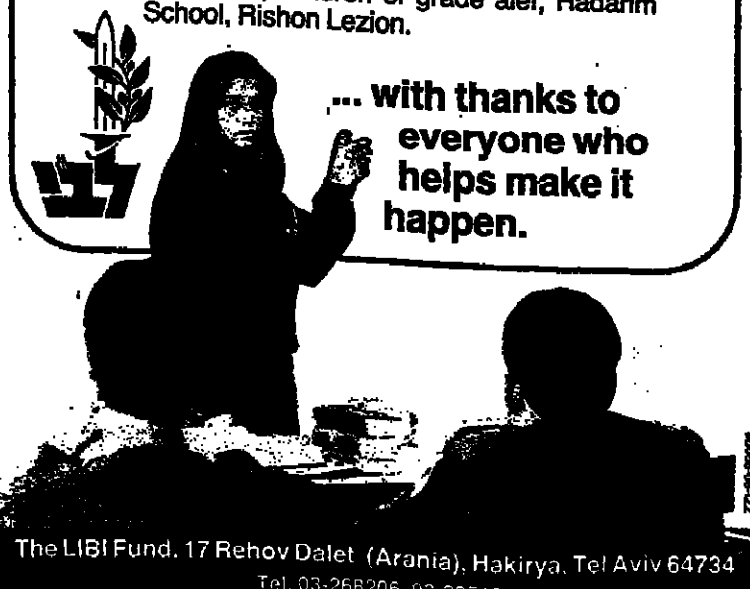
that possibility. Israel's skilled and creative architects should use their gifts wisely and with full regard for even the small corners of our heritage. They can - and should - reconcile modern needs for a suitable approach to Jaffa Gate with historical and spiritual demands to safeguard this significant component of our past.

The Stern family home and its Herzl museum should be preserved.

ALAN D. BENNETT
Jerusalem (Cleveland).

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